

NATIONAL REAL ESTATE and BUILDING JOURNAL

SEPTEMBER 1949



★ A Round Table Discussion
On Problems Affecting
Industrial Expansion . . .

See Page 14

Builder of 150 Homes Reports:

**"25%
Labor Savings
with
Plyscord Sheathing"**



"Plywood Sheathing and Subflooring is Stronger," says Fred P. Tosch,
Buffalo, New York

Above: Workmen placing PlyScord sheathing into place on one of the Tosch houses built in Buffalo. Below: A group of the completed homes—stronger, more rigid, more durable because of PlyScord sheathing and subflooring.

*"It helps meet the
demand for better homes
at lower prices!"*



PLYSCORD—the sheathing grade of Douglas fir plywood—is easily identified by this "grade-trademark" stamped on the back of every panel. For a handy pocket folder, "PlyScord for Better Construction," write the Douglas Fir Plywood Association office nearest you: Tacoma Bldg., Tacoma 2, Wash.; 848 Daily News Bldg., Chicago 6; 1232 Shoreham Bldg., Washington 5, D.C.; The 500 Fifth Avenue Bldg., New York City 18.

BUILDERS:

Cut costs and speed construction with PlyScord sheathing and subflooring.

ARCHITECTS:

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DEALERS:

Be sure you have adequate stocks of PlyScord—the sheathing grade of Douglas fir plywood.

"We HAVE USED Douglas fir plywood PlyScord for wall and roof sheathing and for subflooring in about 150 houses built during the past two years," says Fred P. Tosch, housing developer of Buffalo, New York. "Cost records show that we have effected a 25% saving in labor. Construction has been speeded too, making it possible to eliminate many of the problems arising from a partially completed building being open to the weather.

"Plywood is stronger, it eliminates the need for corner bracing, further cutting costs. Our crews like plywood because it is real wood, easily worked.

"I am firmly convinced that the use of Douglas fir plywood results in a superior structure. When I built my own home, I used plywood for sheathing, roof decking and subfloors. It is one of the outstanding new homes in Buffalo."

Douglas Fir
PLYWOOD *Real Wood* **Panels**

LARGE,
LIGHT,
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the easy way to plan a kitchen

..Any Kitchen!



Today's trend is toward color in the kitchen—and Curtis cabinets make it easy for owners to have a color scheme they want, and to change it at will. Curtis wood cabinets have satin-smooth surfaces that take paint finishes readily—and hold them lastingly.

When in New York, visit the Curtis Woodwork Display at Architects' Samples Corporation, 101 Park Avenue



Freedom unlimited! That's what Curtis sectional kitchen units mean in planning any size or shape of kitchen for step-saving convenience. What's more, you can plan exactly the color scheme that suits the owner's taste. For these wood cabinets come prime coated in white—one finish coat of any desired color completes their decoration and satisfies the housewife.

Curtis kitchen units are made like fine furniture—for durability and easy maintenance. They are quickly and easily installed, not only in homes, but in institutional and commercial buildings as well—schools, churches, hospitals, hotels, restaurants, etc. Wherever storage space is required, you'll find the problem solved with Curtis cabinets.

Curtis kitchen units are readily available—no waiting, no delay. See your Curtis Woodwork dealer and he will schedule delivery as desired and give you complete price information. We'll gladly tell you more about Curtis cabinets—just mail the coupon.

CURTIS COMPANIES SERVICE BUREAU

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Address.....

City.....State.....

I am ☐ Architect, ☐ Contractor, ☐ Prospective Home Builder, ☐ Student.
(Please check.)

More of Service
Kalamazoo, Mich.
1942

THE KALAMAZOO GAZETTE

HOME
EDITION

KALAMAZOO, MICHIGAN, SATURDAY, JUNE 12, 1942

Builder Holds Open House on New Product

L. W. Vandenberg Introduces Line.

A new line of houses is being introduced to Kalamazoo today by L. W. Vandenberg, builder, and his sales agent, Serrin Realty, Inc. The first in a series of residences by the local builder is being shown at an open house until 9 tonight and from 4 to 9 Monday, Tuesday, and Wednesday.

Located at 2917 South Rose street, on the southern slope of Westnedge hill, the house is nestled in a pleasant residential area. The property has been landscaped and the house is completely furnished for the open house event.

Recognizes Need

For Vandenberg, introduction of this house is a departure from the field in which he has been operating. Enjoying a reputation for fine building in this area, the young builder has been concentrating in the past on houses in a little higher price range. The project to produce the new line of houses is his recognition of the greater need for housing in that price range.

A partly pre-assembled house, the new houses are shipped here from the Harnischfeger corporation, Port Washington, Wis., for assembly at the site.

But unlike most of the pre-assembled houses, the residence being erected by Vandenberg is a more complete house, with full basement and a number of other features, commonly found in more expensive houses.

Large Closets

The pilot model of the homes, which is the one on display, has automatic oil heat but in future houses, the builder reports, one may have a choice of oil or coal heat, automatic or manual control.

Large clothes closets are a surprising feature of the house. Although small in appearance, the house has large rooms and extremely large clothes storage space. Modern flush type doors are used throughout the house and fine custom built cabinet work is a feature of the house. It is completely insulated.

Vandenberg reports he will erect the house in six different exterior styles and the house may be finished in either siding or shingles. It is offered in either two or three bedroom models.

Write, wire, or phone for details about the P&H franchise in your area.

COGNITION OF RED CHINA BIG NEWS IN HOUSING

in one area after another

P&H ECONOMY HOMES

And no wonder! Here are the unmistakable values home buyers have waited for — at the price they want to pay. And they're buying — wherever builders offer these high quality factory-built homes. If you haven't looked into the P&H franchise in your territory, do it now.



Line Up With P&H for Profit!

Successful builders are learning that they can make more money in less time with P&H Homes. Quick erection simplifies many problems — cuts costs — reduces risks — assures fast turnover of invested capital — enables you to build more homes per season.

And here's sure-fire sales appeal — a full size home — 24 ft. x 32 ft.; large living room; choice of 2 or 3 bedrooms; full insulation; flush doors throughout; built with or without basement; approved for FHA financing. Can be erected and sold for as low as \$6,500 complete, plus lot, in some areas.

In Kalamazoo, L. W. Vandenberg is taking orders each week for P&H Homes to be completed within 30 to 60 days.

P&H

HARNISCHFEGER CORPORATION

HOMES

303 Spring Street
Port Washington, Wis.

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Royal Barry Willis, Boston, Mass., Architect

TELEPHONE RACEWAYS BECOME A NEW ENGLAND TRADITION

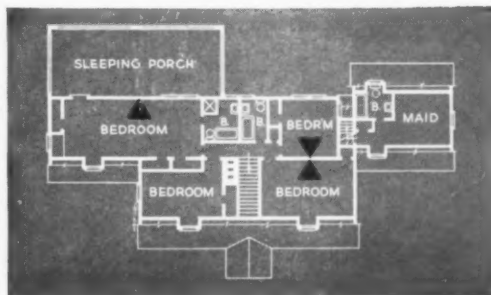
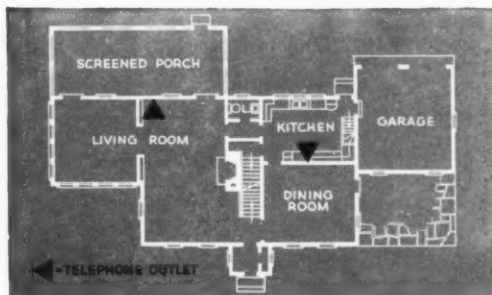
You wouldn't think of designing or building a house today with electric wires and water pipes exposed. It's just as important to conceal telephone wires.

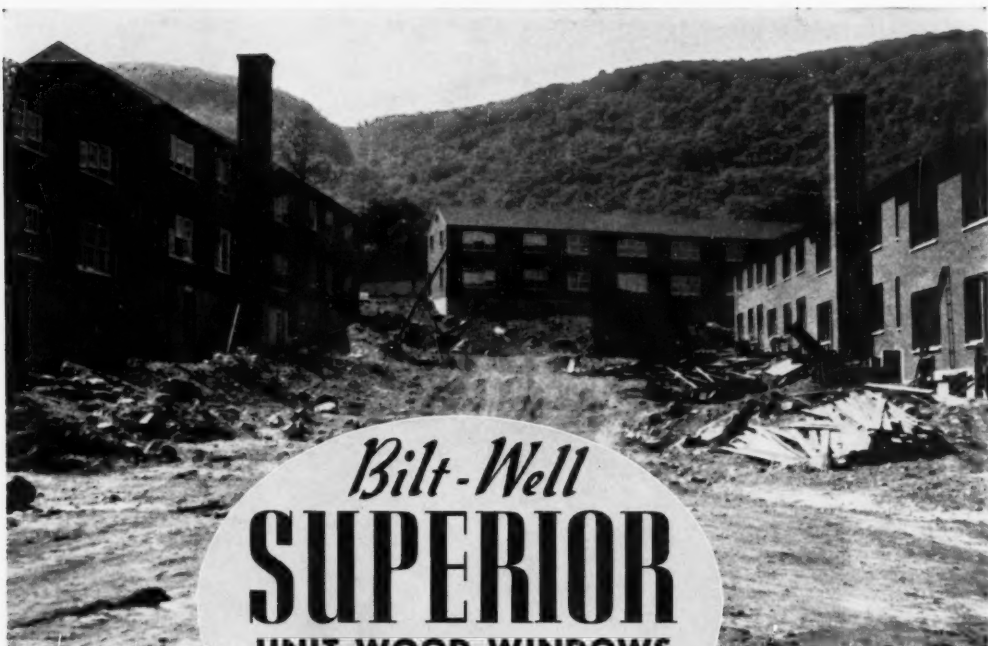
Telephone raceways are easily installed during construction. A few lengths of pipe or tubing will carry telephone wires inside the walls to neat, convenient telephone outlets. They help to protect the interior beauty when telephones are installed, and assure the home owner of modern telephone facilities.

Your Bell Telephone Company will be glad to co-operate in planning telephone raceway systems. Just call your nearest Telephone Business Office and ask for "Architects and Builders Service."



BELL TELEPHONE SYSTEM





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SUPERIOR
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Go to West Point



*This is why **SUPERIOR Unit Windows** are the most satisfactory windows in the field.*

It is the exclusive rolled-in cushion-type, flexible, jamb-liner weatherstrip! If the sash swell or shrink this weatherstrip automatically compensates for any variation. The result—Superior Windows slide easily, and fit snugly at all times.

ANOTHER OUTSTANDING PROJECT HAS BEEN ADDED TO THE LIST OF GOVERNMENT AND LARGE PRIVATE PROJECTS FOR WHICH SUPERIOR WINDOWS HAVE BEEN SELECTED.

The latest of these projects is the New Officers Quarters . . . an extensive group of new buildings at West Point.

In addition, Bilt-Well Entrances, Bilt-Well Screen Doors and Bilt-Well Shutters were also selected. Bilt-Well Products are standardized and comprise a complete line—everything from Basement Unit Windows to Attic Louvers.

Bilt-Well Products are made of the best available kiln-dried shop grades of Ponderosa Pine and are produced by expert woodworkers using the latest modern machines.

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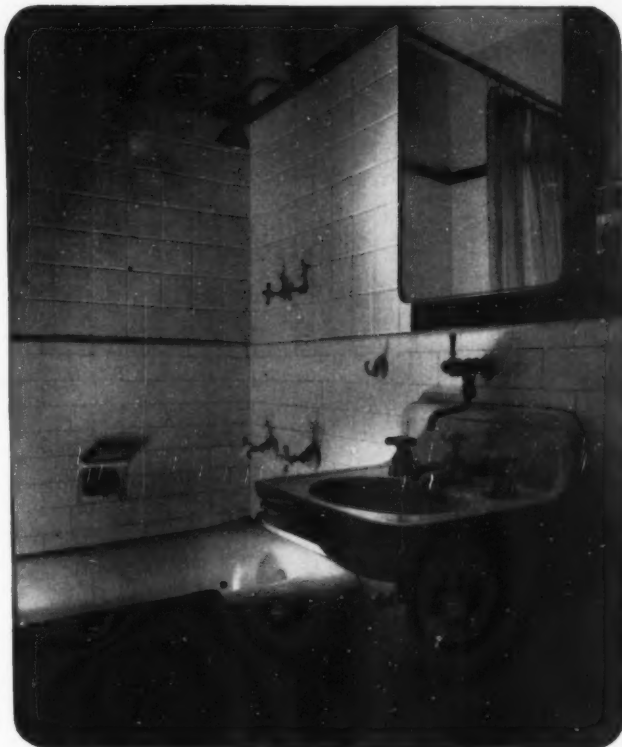
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3500 HOLLYWOOD BOULEVARD
HOLLYWOOD 18, CALIFORNIA

See the Hollywood you have so much about

"We experienced no loss of room revenue while this remodeling was accomplished. It was not necessary to tear out plaster or make any structural changes."

Very truly yours,

A. B. McConnell
A. B. McConnell
Vice President

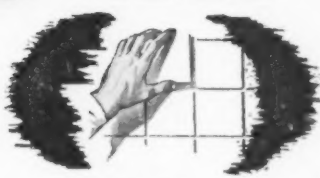
If this hotel can do it—
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owners in all types of build-
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FAST APPLICATION . . . FAST SETTING

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LOCKART METHOD

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YOU KNOW IT'S NOT
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REYNOLDS
Lifetime ALUMINUM
BUILDING PRODUCTS

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2016 South Ninth St., Louisville 1, Ky.

From the listing above, I am particularly interested in the
following products. Please send complete information.

Name _____ Title _____

Company _____

Address _____

City _____ Zone _____ State _____

Building Material Exhibit Reopens

The Cleveland Builders Exchange, Inc., revived its pre-war continuous exhibit of building materials, new products for the home, and the distribution of home building and maintenance data on September 10.

The exhibit has been renamed HomExpo, and has the same theme which has been popularized for the past 38 years. The committee planned a series of programs to be conducted throughout the year in the Exchange auditorium to hear discussions of problems of interest to the home owner and prospective builder.

Here's Way to Put Motion Into Window Displays

A PERENNIAL problem to home builders and real estate men is to make window displays that will attract passersby.

J. C. Taylor, realtor, of Upper Darby, Pennsylvania analyzed the elements of general merchandise displays which pull best, and decided that the most important are color, variety, light — and especially motion. Of all these, motion was the stickler.



That set him looking for an animated device. He located an automatic listing display that looks something like a television cabinet. On the face of this cabinet "stills" in full colors — pictures of new houses or houses he has listed — can be projected.

The cabinet has a capacity of 16 photographic slides which are dropped into slots in the cabinet. Any one of the slides may be removed or replaced without disturbing the others. The translucent screen is 12 by 12 inches, the projector over all is 19 by 18 by 32 inches.

Here then are the desired ingredients — color, variety, light, motion. And the Taylor company says it works. Owners make inquiries as to how their listings can be displayed. Buyers and renters who phone or come in say they have seen the "picture parade" and wish more information.

Your Home Buyer Pays

Less than \$5⁰⁰ per Month

For this Complete **HOTPOINT KITCHEN**



**For So Little Extra
You Offer So Much More!**

TODAY the cost of adding Hotpoint all-electric kitchens in new homes is amazingly low in comparison with the impressive increase in value.

For example, a complete Hotpoint kitchen, financed in a "package mortgage," actually adds less than \$5 to the monthly payments.

Aggressive home builders everywhere agree that today the kitchen is the measure of value—that prices seem lower when homes are fully equipped with Hotpoint Ranges, Refrigerators, Dishwasher-Sinks and matching Hotpoint metal cabinets. For complete facts, see your Hotpoint distributor or mail the coupon at right.

Hotpoint Inc., (A General Electric Affiliate)

Everybody's Pointing To

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Ranges • Refrigerators • Freezers • Water Heaters • Dishwashers
Disposals • Clothes Washers • Ironers • Dryers • Cabinets & Sinks

**HOW TO SAVE MONEY ON
INSTALLATION PROCEDURE**

Hotpoint Inc., Apartment House and Builder Div.
5600 West Taylor Street
Chicago 44, Illinois

Gentlemen:

Please tell me—without cost or obligation—how I can obtain information on efficient installation of modern kitchens at minimum cost.

I build _____ houses a year for _____

NUMBER RENT OR SALE

NAME _____

COMPANY _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

THOROSEALING YOUR MASONRY TO KEEP WATER OUT OF THE WALL—



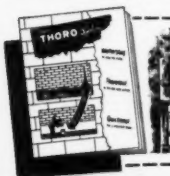
**MAKES NEW FRIENDS
AND CUSTOMERS
ALWAYS RECOMMEND
THE THORO SYSTEM**

WATERPLUG . . . to stop the leaks

THOROSEAL . . . to fill & seal the surface

QUICKSEAL . . . for a beautiful finish

You'll make a true friend of your customer if you specify The THORO System on his masonry throughout. The THORO System has been gaining friends and more friends, for over 35 years until today it is known as the only real way of protection against rain and dampness that cause interior plaster problems and costly expense to the owner. The long-time users of THORO System products will advise there is only one protective solution to a water problem — THE THORO SYSTEM. Order through your Lumber and Builders' Supply Dealers.



Get our 20-page brochure, pictorially describing, in detail, "How To Do It." It's yours for the asking. — No. 140.

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BOX X, NEW EAGLE, PENNSYLVANIA

"How to Finance Real Estate" New Book by McMichael

Whether you are about to launch a subdivision project, or try to bring buyer and seller together on a piece of real estate, you will get a good grasp of the ground rules and best ways to finance the transaction by reading "How to Finance Real Estate," a new book by Stanley L. McMichael, realtor of Hollywood, California. McMichael, who has written 20 previous books on real estate subjects, knows what the real estate and home building profession wants to know on a given subject, and supplies it in easily-understood form in this book.

It is the first comprehensive book on real estate financing in many years, and thus fills a specific need. For example, two of the most interesting chapters deal with the various forms of FHA financing, and FHA requirements, and financing as affected by modern income tax requirements. Chapter headings include such subjects as: "Types of Real Estate Ownership," "Valuation Procedures," "Where to Seek Funds," "Insurance Companies are Liberal Lenders," "Savings and Loan Associations," "Governmental Financing Agencies," "Techniques of Mortgage Lending," "Essential Features of a Mortgage," "Loaning on Estates Less Than Fee," "Certificates of Ownership," "Financing the Home," "Financing Subdivisions," "Financing Business Properties," "Refinancing Distressed Properties," "Corporation Income Tax Problems," "Escrows," "Titles," "Booms and Depressions." The book is published by Prentice-Hall, Inc.

In This Issue . . .

AMONG the educational real estate conferences held during the past few months, the Realtor's Workshop, sponsored by the Denver Board of Realtors, stands out as one of the outstanding examples of carefully-planned and valuable selling sessions. Featured in the two-week seminar this Spring was a galaxy of leading realtors from around the nation who discussed in speeches and in open forum the pertinent questions of real estate today.

Because of the excellence of this seminar, which was titled "How to Sell Real Estate in 1949," the Journal obtained permission from Mrs. Ora Chester Barber, hard-working chairman of the board's education committee, to publish excerpts from the sales sessions. Several of the speeches have been condensed and appear in this issue. Others will appear in future issues of the Journal.

Westinghouse Plans National Home Week Exhibit

Twenty-three builders in major cities from coast to coast are cooperating with the Westinghouse Electric Corporation's Better Home Bureau in constructing homes for exhibit during National Home Week, September 11 to 17.

Builders, who will feature homes with Westinghouse-planned kitchens, laundries, and wiring are forwarding their own plans to the Bureau for personalized service, or are incorporating into their display homes the Bureau's basic standards for correct installation of appliances.

Particular attention is given to the kitchen and laundry, the all-important work centers of the home.



J. T. Chiott of Asheville, North Carolina, is president of Essex Realty & Mortgage Company, president of Asheville Board of Realtors, director of American Red Cross, past president of the Asheville Kiwanis Club, past lieutenant governor of Kiwanis International in the Carolinas, and a C.P.M. in the Institute of Real Estate Management.

"PERFECT HOME MAGAZINE IS A DIRECT STIMULUS TO HOME OWNERSHIP"

Says North Carolina Realtor

"We feel that Perfect Home Magazine is a direct stimulus to home ownership," says J. T. Chiott, president of Essex Realty & Mortgage Company, Asheville, North Carolina. "The manner in which it is edited and the dignified presentation of the joys of owning your own home greatly appeal to women. We are indeed complimented to be a sponsor of Perfect Home Magazine."

Perfect Home Magazine is a community force — a messenger of goodwill — that is working each month to stimulate home ownership for leading real estate, home building, home financing organizations. These blue ribbon sponsors, like Mr. Chiott, tell us they are constantly receiving calls from persons who want to be on their mailing lists.

A magazine so attractively done, so helpful and informative that people ask to receive it, is a rarity in these days of keen competition for your sales message. We who publish this business and goodwill-getter like to think that such tributes are not accidental. We prepare Perfect Home Magazine to make home ownership as interesting as it possibly can be. Every page sparkles with fresh, alive articles and new, striking illustrations. A professional staff of trained journalists combs the nation over for the latest in home design, construction, decoration, and equipment.

Through The Perfect Home Plan, the front cover and back cover are personalized so that the magazine becomes the sponsors' own publication. Yet its scope is national.

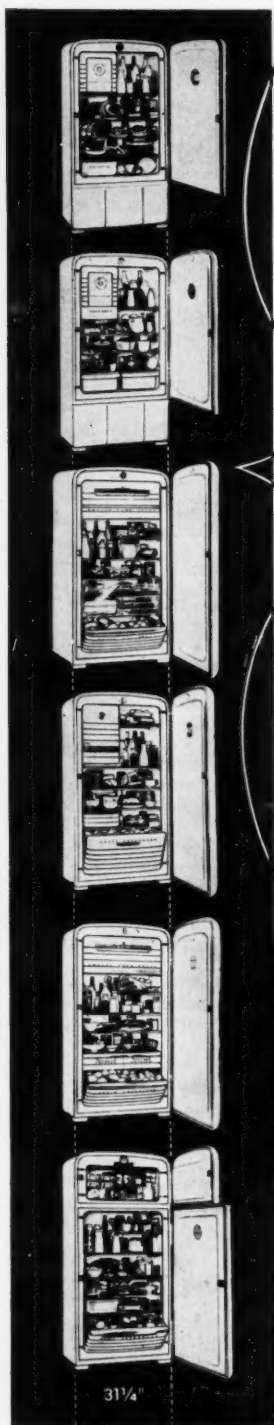
Such quality and interest in a house publication would ordinarily be beyond the financial reach of all but the largest organizations. Through The Perfect Home Plan, editorial and other preparation costs are shared among the hundreds of users throughout the nation. Local reproduction and mailing costs are in turn spread among the selected, reliable building factors who benefit from it. Thus, costs to each participant are nominal.

If you are interested in arousing a desire for home ownership in your community, in making friends for your organization, or in building an audience for your real estate or home building message, you may be interested in the exclusive, annual, renewable franchise for Perfect Home Magazine in your city. A limited number of such franchises are open to established organizations of unusually high qualifications.

For full information, address your inquiry to

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CEDAR RAPIDS, IOWA**





Exclusive with Kelvinator

Model for Model...

**Kelvinator's complete line of 6 new
"Space-Saver" refrigerators**

ALL ONE WIDTH—31 $\frac{1}{4}$ in.

for easy kitchen planning



Now choose models by budget—no changes in floor plans needed.

It's the new complete line of 6 brilliant new Kelvinator Refrigerators. Model for model . . . all are 31 $\frac{1}{4}$ " wide. Shown at the left is the ultimate in home refrigeration . . . Kelvinator's TM . . . 80-pound Home Freezer combined with cold-clear-to-the-floor refrigerator!

Only Kelvinator offers the flexibility of uniform widths for kitchen planning. Simplify and save—by specifying Kelvinator!

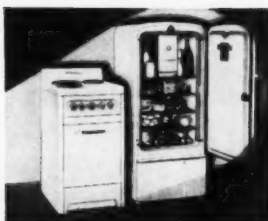


During National Home Week, September 11-17, 1949, Kelvinators can be seen in model homes throughout the country.

GET MORE . . .

Get **Kelvinator**

**MORE! 4 RANGES AND HOME FREEZER
... ALL ONE WIDTH—39" !**



Get Kelvinator's 1949 "Space-Saver" Package. "Space-Saver" Refrigerator only 24 in. wide is full 6 cu. ft. Companion range is only 21 in. wide, with advanced design permitting installation flush against wall. Top-of-the-line quality throughout. For further information, write Kelvinator, Division of Nash-Kelvinator Corp., Detroit, Michigan.

NATIONAL REAL ESTATE and BUILDING JOURNAL

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General Electric Company

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Show How It Works

THE average American wants to know how a thing works. We like to taste, try on, feel, and inspect the things we buy or vote for, whether it's candy bars, sport coats, new homes — or new experiments in a state-dominated economy.

Now that we have some "samples" of rent de-control to look at, a lot of people who otherwise couldn't make up their minds, can. The Washington mystics had painted some horrifying pictures of what would happen if ceilings were taken off. Rents in the average city would go up an average of 60%, they said. Mass evictions would go into effect over night. Rent gouging would bring a deluge of complaints. See, over here — they said — is the picture of rent serenity as you know it in your own home town — don't disturb it. They almost won their case.

But now enough cities have shaken off rent ceilings by local option to get the true picture of how de-control actually works. The results have been so contrary to the black forecasts of both national and local swivel-chair rent experts, as to be laughable. Rent increases have been moderate or not at all. (See page 17.) In one city, even a determined effort by the CIO to beg for tenant complaints in a large newspaper ad, didn't yield enough cases to wad a pea-shooter.

That kind of Exhibit A — properly publicized by the industry — should eventually kick out rent control the nation over.

The next step is to use the same kind of technique in halting the public housing program.

We had enough examples of misfired do-goodism in public housing built to date to have convinced the average American, but, unfortunately, we didn't use them most effectively. We talked too much in generalities; we whooped it up on socialism and high costs of construction and high rents. But we didn't get together as an industry to point up "samples" of public housing in action to prove our case. Instead, we let the public housers show legislators and the lay public pretty pictures of proposed new government housing units, and ugly pictures of existing slums. We let the other fellow carry samples. We went out armed only with sales talk.

When and if the new public housing program gets under way next year, let's be prepared as a united industry to spotlight every blasted fact about each project. Let's focus on the cost of Publicville, almost twice that of private housing; on the tenants of Publicville, with incomes higher than subsistence families; on the voting habits of Publicville, solidly behind the political party that supplied the free housing.

Let's get down to cases . . . photographs . . . pertinent data . . . the kind of thing the average American understands. Public housing has **never worked** to do the job it is pictured as doing. Let's be ready to prove that all over again.

the editor



Your Stake in Industrial Expansion

Industrial expansion will have an impact on everyone engaged in the real estate and building industry. But the future of industrial development, and in turn its effect on the growth of our cities, depends to a great degree on the availability of good locations. Good locations are dependent on many other factors . . . zoning, decentralization trends, basing point legislation, transportation facilities

By ROLAND R. RANDALL
President
Society of Industrial Realtors

EVERYONE engaged in the real estate and building industry has a stake in industrial expansion, whether he specializes in industrial properties or not.

Industrial development necessarily comes first, ahead of related residential and commercial development. New industries, new branch plants, and the expansion of present factories create new jobs and new demand for houses and apartments, shopping centers, stores, office buildings, schools, and churches.

Therefore, the answer to the question, "What's ahead for industry?", is of widespread significance.

Not long ago members of the Society of Industrial Realtors in all parts of the country were asked for their opinion on the industrial outlook for this year. The outlook is good.

A nationwide survey by the SIR indicated that the volume of industrial transactions this year will be very high. There is an intense interest in modern, efficient factories and in vacant industrial land where such facilities can be built.

Government statistics corroborate this report. Figures compiled by the Security and Exchange Commission and the U. S. Department of Commerce indicate that business expenditures for manufacturing facilities and equipment in the first half of 1949 were running at an annual rate of \$7,620,000,000, compared with an annual rate of \$7,880,000,000 in the first six months of 1948.

The Council of Economic Advisers comment in their mid-year report to the President: "Fortunately, only a moderate curtailment of investment in plant and equipment

has occurred, and no severe curtailment is clearly in sight for the remainder of this year."

Actually, 1949 is expected to be the second best year in our history for capital investment in industrial expansion, edged out only by 1948.

But a heavy demand for factories and factory sites does not mean that any one state or industrial area is going to qualify automatically for a share of new industrial development.

Competition is stiff for new industry. Chambers of Commerce, state development agencies, and other sources of business leadership are keenly aware of the importance of attracting manufacturers to their cities and states. The solidly-situated community of today is the one in which industrial expansion in diversified lines is going on.

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Indicative of industrial expansion is the new \$8 million plant of Yale & Towne Manufacturing Company in Philadelphia. The search for the site fanned out along the Pennsylvania and Reading railroads for a radius of 25 miles in the Philadelphia area. The 93-acre site finally selected is connected to a railroad by a highway

A round table discussion on Problems Affecting Industrial Expansion

Participants:

James E. Hanson, vice president, Alexander Sumner Co., Industrial Division, Newark; **Frederick B. Martin**, vice president, Society of Industrial Realtors, St. Louis; **Charles G. Miller**, vice president, Society of Industrial Realtors, Boston; **Roland R. Randall**, president, Society of Industrial Realtors, Philadelphia; **Frank C. Stern**, acting general manager, Central Manufacturing District, Chicago

What are the factors which industry considers most important in selecting a "good location" today?

Mr. Miller: "Most important" factors vary with the industry. Labor supply usually heads the list. Others are nearness to markets, power, transportation, water, and the increasingly popular question "Is the town a good place in which to live?"

Mr. Martin: "Raw material, labor, transportation, housing, source of supply."

Mr. Hanson: "Location work, of course, begins with distribution and labor. Secondary considerations in most industries are raw material and tax situations. Naturally, those industries using basic materials such as sand, wood, cane, etc., usually will locate at the source of the raw material. The majority of industries we serve, however, do not place this source as of primary importance."

Mr. Stern: "Market is the first consideration of all industry not wholly dependent upon natural resources as its raw material. With markets the prime consideration, those of secondary consideration

are: availability of power, transportation, labor reservoir, and community acceptance."

Mr. Randall: "Any one of a dozen different factors might be the controlling reason for locating a particular plant in a particular place. But markets seem to come up as the primary factor in location in more and more cases these days. I feel that industrialists want to be located near their markets and are often able to pick a site with that one factor controlling their decision."

What are some of the do's and don'ts, in your opinion, for realtors wishing to develop an industrial site?

Mr. Stern: "1) Availability of a site properly zoned for industry. 2) Community willingness to cooperate. 3) Sufficient capital to develop industrial site and to finance improvement if necessary. 4) Don't undertake to develop more than the community can support either as local industry or logically a location for territorial branch plants of national distributors. 5) Don't offer anything free. A property should sell on its own merits and a fair price be realized thereof."

Mr. Hanson: "Make it easy for the manufacturer or distributor. Provide a complete service. We explain that we furnish a full service for process development and changes, plant layout, building design, taking of competitive bids, awarding of contracts, supervision of work, arranging of financing for ownership or lease, with full consideration at all times of the manufacturer's tax situation."

Mr. Martin: "Select a site that has adequate transportation facilities. Plan for diversified industries. Make sure that all utilities, and adequate labor and housing supply are available. Make a complete study of the ground structure. Work out a financial plan, preferably with commitments from local and national lending institutions. Don't select a site in an isolated area or in high tax areas."

In your opinion, do you believe significant basing point legislation will be passed and, if so, how will this affect real estate?

Mr. Randall: "A Senate bill would clarify the confusing situation which industrialists face concerning the legality of absorbing freight rates. Confusion has been intense since the Supreme Court outlawed the delivered price system in the cement industry over a year ago, making basing point pricing methods suspect in all industries."

"The pending legislation states that the independent use of delivered prices does not in itself constitute evidence of price discrimination between various buyers. The removal of uncertainty would aid planners of industrial expansion to locate plants with the freedom to use the most economical and competitive pricing systems for purchase of raw materials and sale of finished products."

"The real estate market in general and industrial real estate properties in particular would be benefited by the satisfactory resolution of an anti-monopoly problem that tends to hold back industrial de-

velopment and its related commercial and residential improvements."

Mr. Stern: "I do not expect the 81st Congress to pass any constructive legislation which will permanently establish basing points. There will be little or no effect on real estate."

Mr. Miller: "It is unlikely that any basing point legislation will be passed at this session of Congress, but something should be done to clarify the existing confusion and probably some sort of law will pass in the not too distant future."

"It is going to be practically impossible to write a law which will be understandable or workable. The whole matter is so complex that no single statute could hope to apply to all the users of the basing point system of pricing. Most manufacturers are so uncertain as to how the cement decision applies to them that they are making no changes until action is brought against them."

"The inefficient manufacturer or the one with an inferior product is the only one to suffer under the basing point system. If the system is outlawed, it will tend to set up monopolies with their consequent abuses. Then the consumer is the one who will suffer."

"Railroads will lose profitable long haul business which is their lifeblood. If interior manufacturers are forced to maintain an f.o.b. mill pricing system, they could not compete along the seaboard with

foreign manufacturers with their low-cost labor and cheap water transportation."

"The whole matter of basing point legislation comes under the handling of an unjustifiable monkeying with the economy. As to its effect on real estate, it will mean some new branch plants and some old ones abandoned, therefore a few deals for industrial brokers. But as a whole, what is bad for the economy is bad for all and that includes real estate."

Mr. Martin: "In all probability, some kind of compromise will be effected on basing point legislation. As it is now, it will destroy many smaller industries and prove advantageous to the larger ones. However, if such legislation is passed it would have the effect of breaking up the larger plants and relocating them in strategic areas. This would have a tendency to lower values on larger centrally-located plants."

Will basing point legislation destroy efforts to decentralize industry?

Mr. Miller: "No. It may help, but if industry is centralized there is usually a very good reason for it and forced decentralization results in higher prices and poorer products in most cases."

Mr. Stern: "If mill basing point is legislatively fixed, certain industries of national distribution will have to decentralize to hold their markets. If legislation grants only a moratorium, the same will go

ahead with plans already under way to decentralize. But if no legislative action is taken for or against mill basing point, the greater part of industry will go on as before."

Mr. Randall: "The exclusive use of an f.o.b. pricing policy would place a premium on being close to sources of supply, particularly if transportation were a large part of cost. Apparently, a mill net pricing policy is the only complete safe practice at present."

Mr. Martin: "Basing point legislation may not destroy decentralization efforts, but may leave those efforts only to immense capital."

Mr. Hanson: "I believe that significant passing point legislation will be passed and that with the exception of certain very heavy industries it will contribute to decentralization."

How much importance is industry placing on decentralization due to the atomic bomb?

Mr. Stern: "Certain industries have been issued orders, which become effective in the event of hostilities, and have made or are making plans to establish key plants at dispersion locations. However, by and large the mass of industry is little concerned with the threat of atomic bombing."

Mr. Randall: "The SIR is working closely with the National Security Resources Board on industrial mobilization and location

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The 335-acre industrial subdivision in Bergen County, New Jersey, developed by Alexander Summer Company, Teaneck and Newark, forms an excellent case study of how to plan, build, and promote an industrial project

No, Mr. Woods,

Decontrol Has NOT Caused Big Rent Increases

THE alarming predictions made by Washington rental authorities that rents in the average city would increase 60% if ceilings were removed, have not come true in the cities which have voted decontrol, or which have been hastily decontrolled by the expediter to beat a vote to decontrol.

Reports from eight principal cities queried by the Journal show that increases have averaged well below 15%, that some cities have had virtually no increases at all, that rental property in many instances is coming back on the market, and that sales of new homes are stimulated.

Presidents of real estate boards in the following cities were asked to report on the experiences in their cities, documented by surveys and factual data where possible:

Knoxville, decontrolled by vote, survey shows average increase of all rents 5.1%; Area Rent Control Director had predicted rents would go up 50%.

Spokane, decontrolled by "guinea pig" orders from Washington in advance of vote, estimated average increase 15%; manager of Spokane area rent control office reported only 100 cases (out of 22,000) which he believes to be out of line.

Little Rock, decontrolled by vote, estimated average increase of all rents about 5%; not more than 35% of rents increased which have averaged about 15% hikes; "no examples of exorbitant increases, few complaints from tenants."

Tucson, decontrolled by vote, "no general increase . . . a few isolated cases in low rent brackets

. . . in general, rentals do not exceed OPA limit and in most cases have shown slow downward trend."

Salt Lake City, decontrolled by vote, estimated such increases as made "average no more than 10% raise" . . . Fair Rent Committee has met only once to hear complaints and . . . there was nothing of a severe nature . . . our transition has been peaceful and relatively tranquil."

Tampa, decontrolled by vote, "no general increase in rents . . . some higher priced apartments have actually been reduced . . . except in a few isolated cases the increases made were mostly adjustments to iron out inequalities and injustices . . . reports of some 100% and higher increases publicized by the rent director were actually very few and were usually Negro properties frozen at \$2.50 to \$3 per week."

Amarillo, decontrolled by vote, estimated average increase all rents "not more than 10% . . . most landlords did not raise much, many not at all, others were forced to reduce . . . our condition much healthier . . . no longer is one renter compelled to pay \$75 per month for a hovel, while a more fortunate renter lives in a nice large brick apartment for \$40."

Boise, decontrolled by "guinea pig" orders from Washington in advance of vote, "No increases except for an occasional apartment that was at unjust ceiling . . . several instances of lowered rents . . . Last Sunday's paper 18 advertisements of houses or apartments for rent ranging from

\$23.50 per month to \$83 per month . . . one Title 608 of 202 units operating at 60% occupancy, with estimated monthly loss of \$3,000."

One of the best case-studies is that provided by the Knoxville Real Estate Board, which made a survey covering 2,904 rental units managed by Board members. William G. Brownlow, III, chairman of the rental survey committee, reports that 29 out of 30 offices show that rents of these units averaged \$37.33 per month immediately prior to decontrol and have since increased to \$39.25, or an overall increase of 5.1%. "This increase includes all future increases which have been definitely determined at this time," Mr. Brownlow explains. "In other words, if a tenant has been notified that his rent will go up September 1, this increase has been included. Of the 2,904 units surveyed, 52% have had no increase whatsoever; 14% have had an increase of more than 20%."

"There have been no blanket increases in rents. Each office has handled its rental units on more or less of an individual basis. The raises of more than 20% can roughly be divided into three categories. In some cases where part of the tenants in a group of houses or apartments had previously signed for a 15% increase, the neighboring tenants did not accept this increase and these have been increased 20% to 25% in the belief that, having paid a smaller rent in the past, it is only fair they should pay a bit more now. Had this not been done, the landlord would have been in the position of penalizing those

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Around the three street sides of the building is space for 75 cars, and in the rear is a service parking area. Customer parking utilizes about two-thirds of the shopping area

A Rustic Shopping Center With Ideas That Sell



Builder Charles Coddling has combined economy with rustic attractiveness by using No. 3 common grade Redwood in his new 12-unit shopping center. The low, ranch-type building in Santa Rosa, California, serves a population of about one hundred thousand, has 16,000 square feet of floor space, 2,200 square feet of office space. Advertising, merchandising handled collectively by a merchants' association

OPERATING UNITS

| Type | Sales Area (in square feet) | Storage Area (in square feet) | Rent (per month) |
|------------------------------------|--------------------------------|----------------------------------|----------------------------------|
| 1. Grocery Store | 1,500 | 1,000 | \$150 per month or percentage |
| 2. Meat Market | 468 | 250 | \$110 per month or percentage |
| 3. Produce Market | 403 | 250 | \$100 per month or percentage |
| 4. Bakery | 480 | 1,200 (Bake Shop) | \$100 |
| 5. Hardware Store | 660 | 300 | \$100 per month or percentage |
| 6. Insurance Office | 330 | | \$50 flat rent per month |
| 7. Gift Shop | 534 | 534 | \$75 per month or percentage |
| 8. Dress Shop | 396 | 275 | \$50 per month or percentage |
| 9. Drug Store | 875 | 600 | \$150 per month or percentage |
| 10. Children's Clothing Store | 400 | 180 | \$65 per month or percentage |
| 11. Beauty Shop | 640 | 120 | \$85 per month |
| 12. Office Space (Second Floor) | 2,200 | | \$200 per month |
| NEW ADDITION | | | |
| 1. Variety Store | 660 | 330 | \$100 per month or percentage |
| 2. Self Service Laundry | 660 | 330 | \$125 per month or percentage |
| 3. Barber Shop | 150 | 60 | \$50 per month or percentage |
| 4. Delicatessen | 300 | 490 (Kitchen and Storage) | \$90 per month or percentage |
| 5. Confectionery | 1,058 | 400 | \$145 per month or percentage |



A 10-foot-wide walkway runs around the periphery of the building, giving it a long, low appearance



Each shop front has a design scheme. Pictured above is the door of the bakery. Other shops have similar innovations like small octagon or large, plate glass windows

SPLIT log shakes, Redwood lumber, novel, painted signs, and unique store fronts combine to give a rustic appearance to the new Town and Country shopping center built in Santa Rosa, California, by Charles Coddling of Coddling Homes, Inc.

The early California ranch-type building is constructed entirely of No. 3 common grade Redwood on a concrete slab. Roof shingles are made of Redwood Monterey split log shakes, and the siding on the exterior is either vertical or horizontal Redwood. Some of the store fronts are finished in brick veneer.

The centrally-located shopping center serves an area of 18 to 20 square miles and a population of about one hundred thousand in Sonoma County; but, more specifically, it draws from about seven hundred families in Santa Rosa, the county seat.

Of the total sales made during the day, 60% of them are made between the hours of 2:30 p.m. and 6:00 p.m. The other 40% are made during the balance of the daily shopping hours. The center opens at 8:30 in the morning and closes at 7:00 in the evening. Approximately eleven hundred to fifteen hundred people pass through the doors of the grocery store, about seven hundred to nine hundred people pass through the bakery, and all other shops have a total volume of only slightly less.

The plot size is 200 x 200 feet bordered on three sides by streets. The building measures 154 x 100 feet overall with 16,000 square feet on the ground floor, all used for retail shops. Upstairs there is office space totaling 2,200 square feet.

Each unit is so planned that it has a certain ratio of storage space to sales area, depending on

the commodity handled (see box). Some tenants are charged a flat rent. Others are charged a certain rent or a percentage of the sales, whichever is greater.

Outdoor signs are rough, painted boards lit at night by the floodlights that illuminate the entire building. No neon signs or electric light signs are permitted.

Advertising for the tenants of the shopping center is handled collectively by the Town and Country Merchants' Association. The association also stages a weekly special products sale in which each store selects harmonizing items.

Nationally known products used in the construction of the shopping center include Schlage hardware, Ken-Tile and Armstrong asphalt tiles, and Pioneer Red-D-Mix Company's concrete. The building is heated by two 250,000 B.T.U. Builtwell forced hot air furnaces.

How Property Management Finds the Doorway to Profits

Are you getting the highest return for your client's investments with the return of competition? Whatever your answer, now is the time to drive home the slogan that good property management pays extra dividends. But how can a prospect be convinced that it pays to turn over his investment properties to a professional manager? Here is Smith-Bisschop Company's formula which has justly given them a 17-year record of success



HOW can a property manager best make it clear to skeptical property owners that professional management pays?

Smith-Bisschop & Company, Detroit, finds the most effective vehicle is to show visual records of its success with other clients. A new brochure, "The Doorway to Profits," explodes the old fashioned idea that a good property manager merely collects rents and supervises maintenance. By question-and-answer, by pictures and data showing dramatic histories, this brochure demonstrates that the company can net higher returns on investment property than can the non-professional owner; it knows how to put property to its best use, how to analyze the need for major repairs, how to screen tenants to get the best type, and to keep them satisfied at fair rentals.

The brochure first asks owners, "Why do you own

These pages from Smith-Bisschop's brochure, "Doorway to Profits," contain photographic evidence, cost figures, increased profits to show management's benefits

income property?" The answer: "To create an income."

The next question is, "Do you think with dropping markets you can keep your older building in competition with newer structures?" Current facts and figures tell them the chances are they can't, that as the market tightens their buildings are going vacant because they don't offer the conveniences or the appearance of the new buildings. A property manager can put the building back on the market at a low cost to the owner and can keep it there to uphold increased profits. Questions and answers are a good way to start owners thinking.

All three of these commercial-residential buildings were rehabilitated. The income of the mismanaged 18-apartment, five-store building in the center was doubled; new tenants raised value of building on left





This "before and after" comparison shows what can be done to a kitchen in a 50-year old house which had no electricity, plumbing, or gas heat. Each room was comparably rehabilitated and

modernized. The house sold at \$600 net profit. Included in the brochure are estimate sheets, figures on actual costs as well as increased net income, to show that property management pays

The second type of visual approach used in the brochure — and one of the most effective means of making a client out of a prospect — is the use of "before and after" pictures. Photographs of individual rooms in their original and final state help owners visualize better their own specific needs far better than word-of-mouth statements. They see that walls moved or removed make an unbelievable difference in a room. Other pictorial comparisons show that amazing improvements can be achieved with a minimum of expense; paint and plaster repairs may be all that are needed.

With each "before and after" picture is information on the history of improvement, its cost, rental after modernization, net profit, and amortization. One sample set shows the differences in the exterior of an apartment building, the first obviously deteriorated.

The rehabilitation program consisted of modern kitchen installations, complete interior and exterior redecoration, and the installation of four new apartments in the basement. The building re-sold at a profit of \$20,000 to its owner. Few prospects confronted with visual evidence and results like that can turn down the opportunity to do the same for themselves.

Another set of pictures covers the entire process of rehabilitation from the original appearance of the 20-family apartment building through the various steps of improvement to the finished product. Data accompanying the pictures explains that the badly depreciated dwelling was purchased for a client for \$95,000 after a careful analysis of the property had been made. In a month the building was given a new appearance (which is shown by the pictures) at a cost of less than \$8,000. While the former owner had

Three apartments under the company's management: building on the left was completely rehabilitated, sold for a \$20,000 profit; center, new six terrace apartments; right, new exterior brought 50% gain





"Before and after" photos in the brochure help owners to better visualize their needs. Pictures show a room in a large home which was modernized and made into small apartments. Paint and plas-

ter repairs show owners that rehabilitation need not be a costly process. Such evidence has been found to be effective advertising; clients are visually impressed when oral attempts are often futile

suffered a loss of \$48,000, the present owner has been offered \$125,000. The very apt title of this set of pictures is "Proof of Performance."

Actual names, addresses, and itemized expense accounts give added validity to cases. A sample illustration of this is the story of the O'Mac building in Detroit, which had been a consistent loss to its owner. Smith-Bisschop took over and rehabilitated as follows: the building's exterior was steam-cleaned and painted; a new heating system was installed which cost not more than \$1,300 a year to operate, while the previous system had cost \$1,692; the tenants, with the exception of one, were replaced by new tenants. The income of the property was immediately increased \$235 per month, and the new leases were signed calling for subsequent increases in years to come. The "eye-catcher" of this story is that with a total expenditure of \$6,000, which at the same time doubled the income, the owner sold the building for \$70,000; before, he couldn't get an offer for \$40,000.

With visual methods such as these, owners can be shown that they annually waste billions of dollars when they allow their properties to deteriorate abnormally. They can be shown that the money is coming out of their pockets just as surely as if they handed it over. Facts and figures tell how much more profitable it is to keep their properties up all the time, whether they are village duplexes or metropolitan apartment houses.

When the company is given a building to manage, it first makes a careful analysis of the property — its present condition, location, future development possibilities. From this analysis, a prospectus is made up and given to the client showing what total modernization will cost, as well as the individual costs of new plumbing, heating, carpentering. He is given figures on the foreseeable rentals, lessened depreciation, enhanced value of the property, amortization plans, and future dividends.

In addition, Smith-Bisschop explains why each part of the modernization program is necessary, why a

particular material is selected, and the expected life of each item. These last services are made possible by the company's own testing bureau.

When the owner has okayed all or a part of the recommendations for rehabilitation and repairs, the various departments begin their work. Before long, the owner can have his own set of "before and after" pictures.

Smith-Bisschop pays particular attention to the analysis of commercial properties with reference to their future developmental possibilities. For example, the company took over a depreciated piece of commercial property. It was not only transformed into a modern paint store, but it also became the first link in establishing a new shopping center. Another handsome piece of commercial property which had been badly mismanaged was turned into an increased profit of 70% to its owner after five years under Smith-Bisschop management.

Properties don't have to be large or even comparatively new structures to warrant their being placed under property management. One 50-year old small house, which had no plumbing, electricity, or gas, was turned over to Smith-Bisschop. The otherwise "bad penny" was changed into a net profit of \$600 even after the house had been completely rehabilitated and modernized with gas heat, electric appliances, new roof, new bathroom and kitchen, and a complete interior and exterior paint job.

The "Extra dividends" which Smith-Bisschop has shown come with good property management aren't always those with obvious dollar signs. They mean, for example, satisfactory relations with tenants who are proud of their surroundings. Another form of "extra dividends" is that shown by the rehabilitation of a large residence which became seven attractive apartments; the building added considerable value to its immediate community.

(Next month: An article on promotional methods used by Van Schaack & Company, titled "Portfolio Helps Get Property Management Business.")

You Can AVOID Tax Not Evade It By Tax Knowledge

By DAMIAN P. DUCY

President, Institute of Real Estate Management

Seven physicians each invested \$5,000 in a \$105,000 building seven years ago. Since that time they have paid virtually nothing on the balance, and the building has paid virtually no profit to them. When the author took over management he put the building in order and the financial structure on a paying basis. The owners were offered \$1.50 for each \$1.00 they put in, but the sale hinged on a \$2,000 gap between asking price and offering price. Read how problem was settled



BY EWING GALLOWAY

A knowledge of tax laws is a must for the man who expects to sell commercial or investment property. Many a sale that might otherwise bog down due to the effect on personal income taxes, can be saved by taking advantage of these very tax law provisions. The answer is all in knowing tax avoidance, not tax evasion.

MANY real estate men do not spend enough time with good tax attorneys or tax accountants. They don't have the knowledge necessary to cope with the problems that arise. You can avoid tax without evading tax. Here are a few examples of tax avoidance which are interesting and important if you engage in commercial property sales or management.

About seven years ago we were fortunate enough to learn of a property owned by seven doctors. They had bought, in 1929, a one-story building on a 55% to 60% corner, put in \$35,000 (\$5,000 each), and put \$70,000 "on the cuff." In 1941, they found themselves in arrears on payments. The mortgage was far past due, and two year's taxes had piled up against them. Finally, they came to us to see if we could get the mortgage owner to take the property back, or to see if we would be interested in buying it at 10% of what they had invested. I didn't have the money, or the courage, to step into that. We learned that the doctors had held the property for 12 years, and, during that time, they had been able to reduce the mortgage only \$13,000. They had accumulated two year's delinquent interest at 6% as well as the two year's delinquent taxes. No payment had been made in a long time; no money had been spent on the property for years; the whole situation was bad.

We agreed to take a five year management contract. We made a deal with the mortgage holder to settle \$7,000 of interest for \$3,000, reduce the rate of interest from 6% to 4%, and agreed to the small amortization of \$125 a month. We arranged to have the high rate of interest on the tax certificates reduced to 5%, payable on a budget plan. We put in two or three new

fronts, evicted one or two tenants, and arranged for all our leases to run out at the same time.

We were able to find three good lessees. All agreed to spend money on the property. One of them was a midwestern chain; another, a national chain; another, an excellent locally owned store. With their modernization, we practically had a new building. Of course, we owed it to our clients to sell the property if they wanted us to. We advised them not to sell. Nevertheless, they had been in it for a long time. We told them we could get \$1.50 for every \$1.00 they had invested, instead of the 10 cents they had been willing to sell for. We planned to ask \$100,000. We made our contacts, and I was able to begin negotiations; but we soon developed a difference of \$10-\$12,000 between the buyers and the sellers. We were able to work out that difference through a knowledge of the tax laws.

This property was held as the only asset of a corporation. Had the corporation conveyed the property by warranty deed, it would have been subject to the capital gains tax; and in the dissolution of the corporation, the seven doctors would have had to pay a personal tax on their gains. The deal finally resulted in knocking the approximate amount of the capital gains tax off the price by getting our interested purchaser to buy the outstanding stock of that corporation; and, after a reasonable period of time, dissolve the corporation, enabling us to put the property on the buyers' books at a price equivalent to the price they paid for the stock. Our business was able to do that because we had a property management department capable of building up this property.

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1. Should a salesman be employed exclusively to get listings?
2. Should you compensate a salesman for insurance business accruing from a property sale he made?
3. Should salesmen be paid a fee for bringing in property management business?
4. Should salesmen participate in commissions on loans?
5. Should your sales manager compete against the sales staff?



The JOURNAL'S survey shows that 52% of the realtor-builders in the panel pay their salesmen for insurance business resulting from a property sale, 26% do not, and 22% do not have insurance business

How Would You Answer These Five Questions on Sales Management?

HOW far should a real estate or a home builder office go in nose-bagging its salesmen to get more business?

Opinions are divided on four out of five pertinent questions affecting sales management policies, judged by a sampling of the experiences of realtors and realtor-builders conducted by JOURNAL editors this month.

1. Should a salesman be employed exclusively to get listings?

Interesting geographical differences occurred in our panel's responses to this question. Of the

total, 42% say "no"; 28% say "yes"; and 30% say "yes" — but only for a large office. One respondent qualifies his "no" by saying that it makes good training for sales work.

The deep South, the Southwest, and the Midwest generally believe the plan a good one. The far West, the New England States, the Middle Atlantic States, and the South-eastern States think that the plan is bad. The East-Central States express a divided opinion.

Typical responses from East-Central realtor-builders are: "We find that the salesman who is active and brings in a listing will give it more

attention. A listing by a non-active salesman does not receive personal attention and is not followed up properly." Or, "If you can find the right man or woman to do this, I think it is a very good idea that should produce an increased volume of business."

In the Midwest, Donald F. Moore of Chicago says emphatically, "Good! It works. We've done it." But, Harrison Todd of Camden, New Jersey, says, "... This is not practical unless you have an office tremendous in size and need listings so badly it has to be done. However, if a salesman does noth-

ing but obtain listings, he is not keeping in touch with the market and keeping up with the salesmanship needed to do a good job. It takes selling to get a listing; your sales ability and results help you get listings."

Marcus London of Hattiesburg, Mississippi, suggests that employing a licensed salesman to obtain listings is a good plan if the man is familiar with appraisal techniques and local conditions.

Perhaps, in the deep South, the Southwest, and the Midwest, listings are harder to obtain; therefore, realtor-builders believe it is worthwhile to have a man do nothing but concentrate on getting the best listings. Other differences exist because of the differences in the sizes of sales forces.

As a corollary to the above question, we asked whether a salesman should be paid a commission for a listing. Opinion is almost evenly split over the question. While many distinct plans are discussed by our panel, 33% do not pay salesmen any commission, but 32% pay 10% for both exclusive and open listings. The remaining 35% do the following: One realtor-builder pays his salesmen 50% of the gross income they produce for the office. The salesman that sells a property listed by another salesman gets 70% of the sales force's part of the commission. The man who had listed the property gets 30%. Another office gives 17% of the gross commission to the listing salesman on an open listing and 25% on an exclusive listing. Under a different plan, the listing salesman is given 10 days exclusive rights on the listings he obtains.

One panel member suggests that the entire office should benefit from new listings. They use an informal letter signed by the prospect authorizing the office to act as a broker for the prospect desiring a special property not listed. The agreement requires that the prospect pay a 5% commission if the special property is found in 30 days.

2. Should you compensate a salesman for insurance business accruing from a property sale he made?

Our results show that 26% say "no", 52% say "yes", and 22% decline to answer because they have no insurance business. We asked, further, how the offices paid for the insurance business brought in and all reply that the salesman gets 50% of the commission on new business. Several offices pay 25% for renewals. Some realtor-builders

have insurance departments which handle the insurance independently of the salesman. Other offices employ salesmen who are licensed to solicit insurance along with their real estate business. But, Walter S. Dayton of Bayside, New York maintains that a salesman should be encouraged to increase office profits rather than individual profits from insurance commissions. Several express the fear that salesmen will concentrate on their insurance business to the detriment of their real estate business. Schmid and Smith, realtors of Indianapolis, Indiana, say, "The salesman should bring in insurance business just as a matter of loyalty, except in rare cases when he brings in a large account."

Those who pay a commission, pay 50%.

3. Should salesmen be paid a fee for bringing in property management business?

Here, pro and con opinion is equally divided. Our panel reveals that 30% say "no", and 30% say "yes". Of the remaining participants, 10% say they have no property management business, and 20% did not respond. Salesmen who are paid, are given a percentage of the commission during the time the lease is in force. Salesmen in Walter Dayton's office take over supervision of the property on a fifty-fifty basis. W. Max Moore's company in Denver pays according to this schedule: During the first year of management, 1/2 of the commission goes to the salesman. During the second year of management, he gets 1/3 of the commission, and during the third year, he gets 1/4 of the commission. The Charles J. Pietsch company in Honolulu, Territory of Hawaii, pays 25% of the monthly receipts, less expenses, to the salesman bringing in the business. Charles J. Maybee of Houston, Texas pays 2% of the commission received over a one year term.

4. Should salesmen participate in commissions on loans?

Answers to this question show more agreement in favor of compensation to salesmen, for 42% say "yes" and 26% say "no". Of the remaining 32%, 21% do not answer, and 11% qualify their "yes" opinions by saying that the salesman should share in the commission only if he actually negotiates the loan.

Carl Varnum of Huntington, West Virginia says, "I cannot see that salesmen should participate in loan commissions, as the negotiation of loans requires a loan depart-

ment, and salesmen are glad to have the convenience at hand."

On the other hand, the Schmid and Smith company says, "Commissions on loans often take considerable value; whereas, commissions on property management and insurance business are more or less incidental."

Offices that pay commissions pay 50%, just as they do on insurance business.

5. Should your sales manager compete against the sales staff?

Our sample of realtors and realtor-builders agree completely on this question. According to 81%, sales managers should assist and advise the sales force. We find that 19% of the panel think that the sales manager may sell in addition to his managerial duties, but none of them believe, implicitly, that a sales manager should compete with his sales staff.

Win S. Couette of Lexington, Massachusetts says, "A sales manager should handle general prospects only when no salesman is available. A sales manager should be a sales helper. He should work with the salesman and assist in developing and closing sales."

Carl H. Plunhoff of Detroit, Michigan says, "The sales manager shouldn't compete. From my experience the sales manager has plenty to do helping the salesman make the final closing."

Henry S. Miller of Dallas, Texas explains, "The sales manager should be available on deals when needed, but he shouldn't participate on fees."

One realtor-builder says that the sales manager in his organization handles everything but residential property which the sales staff handles.

Floyd F. Kent of Pontiac, Michigan thinks that it depends on the calibre of the sales manager and the size of the sales force, and Donald T. Pomeroy of Syracuse, New York says, "There may be a few exceptions when prospects are personal friends and turning them over to a salesman would be embarrassing."

We can conclude that a sales manager should act as an advisor to the sales force. His greater experience qualifies him to be the head of the men that produce the business; and, as the head, it is his responsibility to supervise and guide their efforts. He's not a manager in the strict sense of the word if he undertakes to sell in competition with his men.

● Homes Our Readers Are Building

CAMERON Village, a 283-unit garden apartment project built by J. W. York in Raleigh, North Carolina, combines convenience with simple dignified beauty. There are 32 one-story apartment units and 251 two-story apartment units all having 700 square feet of floor space.

The Village is located on a former Raleigh estate covering several city blocks, completely landscaped and within easy walking distance of

a shopping center, schools, and a church.

The material used in exterior construction is mostly brick veneer, but limestone and two-colored shingles are also used to create individuality and freshness in the project.

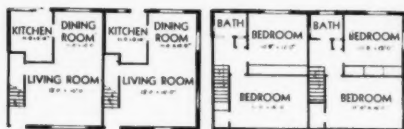
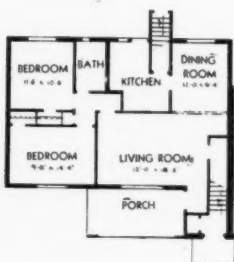
Both one- and two-story apartments have two bedrooms, but the two-story apartment with the bedrooms on the second floor, can be converted into a three bedroom apartment by removing a panel

which ordinarily separates adjoining apartments and closing off the extra doorway of the added apartment.

Rental which includes utilities is about \$75 a month in both one- and two-story apartments. The project was built under FHA 608. The total outlay for the apartments was \$2,503,800.

These homes feature Webster baseboard heating, General Electric refrigerators, stoves.

● In North Carolina



● In Minnesota



IN St. Louis Park, suburb of Minneapolis, excellent workmanship and prompt service are finding a ready market for the \$8700 homes of Roy E. Olson.

Each home has a floor area of 720 step-saving square feet laid out to provide easy access to each room from a center hall and insure privacy.

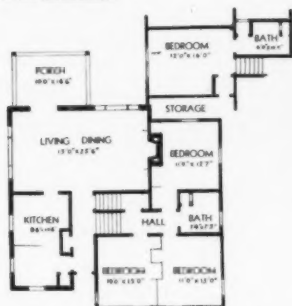
Lots are 40 x 128 feet and 45 x 128 feet on a standard, grid plan city block, and variety of appear-

ance is achieved with eight different front elevations.

Materials included in the homes are: Curtis Silentite windows and Curtis Sectional kitchen cabinets, U. S. Gypsum asphalt shingles, Sheetrock and Rock Wool insulation, Kolorite sidewall shingles, and Armstrong linoleum. The floors are finished with Bruce Streamline flooring, and the heating plant is a Lennox gravity gas furnace.



● In Indiana



HARMONY in design and landscaping is the feature attraction of Oakridge, new 28-home project being built in Indianapolis by the Development and Construction Company.

The homes, built on 60 x 135-foot lots, have from two to four bedrooms and floor areas ranging from about 830 to 1300 square feet. Architecture is varied — modified Cape Cod, Provincial Modern in four levels, and Modern Colonial.

Exteriors of the \$15,000-\$30,000 homes are finished in brick veneer,



Indiana limestone veneer, wood siding, or combinations of all three. Colors of exterior walls and roofs are carefully planned to blend with the entire project.

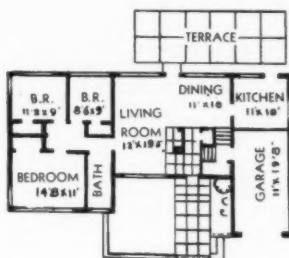
Built-in closets, constructed in the company's own shops, afford more than ample storage space in the homes. Still another feature is the low voltage remote control light switches operated from a full panel in the master bedroom. Circuit breakers will be installed on each floor in the event of fuse failure. Electrical outlets are planned so that a lamp with a 10-foot cord can be used anywhere.

Each home has a Hall-Neal oil-

burning, forced-air furnace. The ranch-type homes under construction are equipped with radiant panel heating, either floor or ceiling. Floors in these homes are cork or wood block set on concrete. The basement-type houses have hardwood floors.

The homes are completely insulated with Rock Wool batts in the walls, six inches of Rock Wool blown into the attics. Other materials used in construction include: Rubberoid shingles, Pratt and Lambert paints, Formica kitchen counter tops, Crane and American Standard plumbing, Yale & Towne and Schlage hardware.

● In New Jersey



AHOME incorporating the design features wanted by more than five thousand prospective home buyers has recently been completed by Tandy and Allen, Inc. of Hillsdale, New Jersey. The details requested in the home are: solar design, terraces front and back for outdoor living, three bedrooms, extra all-purpose room, dining area in the kitchen as well as in the living room, stall shower and tub, free standing fireplace and flagstone foyer, direct entrance from house into garage, more closet space, more free wall space.

The Saddle-Wood in Saddle-Wood Hills, Hillsdale, New Jersey,

is a seven-room, ranch style home of 1000 square feet which has all these details. It is the prototype for a development of 600 homes, each to be built on a quarter acre of ground.

The exterior of the home is finished in natural grain, vertical siding in the front, and moss green shingles on the sides and back. The trim is white.

There is a flagstone terrace at the front entrance under a large, solar designed, over-hanging eave. In the rear, immediately off the dining room, there is a flagstone terraced dining area under an overhanging eave.

The Tandy and Allen homes will probably sell for \$17,500, although some custom-built homes on larger lots will be built at higher prices.

Nationally known products used in the home are: Flintkote roof shingles, Weather-Best exterior shingles, Pittsburgh Plate Glass Company's Tinted Windows, A.B.C. aluminum casements, U. S. Gypsum lathing, and fireproof Cellulite insulation.

Also used are Roway overhead garage doors, Mengel interior doors, Schlage hardware, Chase copper plumbing, Kohler plumbing fixtures, Tracy kitchen cabinets, a Tracy porcelain sink.





Builder Quadruples Year's Profit Through Prefab

Here is a case study of a conventional builder who turned to factory prefabricated houses in order to step up his volume without undue risk. It will be of interest to the many readers of the Journal who are constantly asking about the pros and cons of conventional building versus factory-built construction. Marvin Ayre, who has been building conventional homes in Albany for ten years, isn't convinced that prefabs are less costly than his own product. But he does see that they can save time, investment money, headaches. He quadrupled profit, jumping from seven houses a year to 39

MARVIN AYRE, a builder of conventional houses in Albany, N. Y., believes he has found the answer to multiple profit at minimum investment in time and money. This year he turned to prefab, and quadrupled his profit.

Peculiarly enough, Ayre is not much concerned with the age-old argument as to whether or not a conventional builder can construct houses at less cost than the ready-made kind. What he is concerned with is the time element — he built 39 houses in 1949 via the prefab way; last year he built seven houses the conventional way.

Seven houses per year weren't yielding a satisfactory total profit. He knew he should build more houses, and that they should be moderate in cost so they could be sold readily to veterans and others in the middle income brackets. But to build an honest quality home — and he was proud of his 10-year reputation for quality — at a price such folks could pay was a problem. No matter how closely Ayre estimated, costs usually had a way of getting out of hand. Materials, labor, sub-contracts, financing, and



Ayre sells his homes (769 square feet) at \$8,800 including lot; he pays freight charge of \$375 per house on 1,100 mile shipment

all the other risks involved often trim a small builder down to size in a hurry should things go wrong.

Ayre investigated prefabs and found that they could help him hold his costs in line because he could buy the basic dwelling 83% complete. Also, he could reduce erection time — eliminate most of his risk on labor cost. Once the basement was in, he could put the house under roof in one day, finish the exterior in two more, have it ready for occupancy in two or three weeks instead of two or three months. That meant he could put up more houses per season — at least five times as many.

He erected a sample house. He took an option on a tract of land comprising 39 lots, located in McKownville, about seven miles west of the heart of Albany, in a wooded section well-located as to schools, stores and transportation.

His sample house was completed in May. His first advertisement appeared in two Albany newspapers on May 20. It announced open house, and offered similar homes at \$8,800 complete with lot — five rooms, including three bedrooms,

living room, kitchen, bath and full basement. A variety of six floor plans were offered with differing exterior treatments. They were offered to veterans with no down payment, and monthly carrying charges of about \$65 including interest, amortization, taxes and insurance. Non-veterans could make \$1,100 down payment and monthly carrying charges of from \$55 to \$65.

Ayre sold 28 houses as a result of his first advertisement. He has published only one more since that time. Selling has not been a problem. Before the end of July he had sold 35 homes, and erection was going ahead on a carefully-organized basis of three homes per week.

Financing was done through FHA and VA. Ayre arranged with a local bank to issue a letter of credit and pick up the sight draft of the manufacturer as soon as the house was under roof. The banks in Albany will do this after the FHA commitment has been processed for the buyer.

Ayre arranged with the bank for a construction loan so that as each stage of the construction is completed, it is paid for. Thus he is

never more than \$1,000 behind the bank at any time during the process of building. His first house was financed on a conditional FHA commitment, but the others were financed through the buyers.

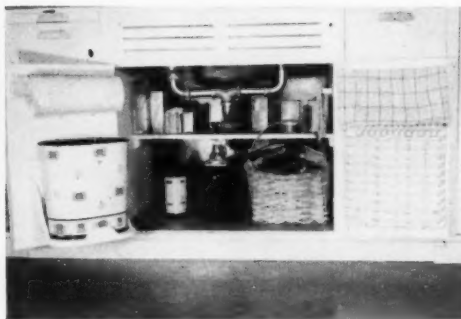
All transactions are channeled through one legal firm. After the buyer has made a \$100 deposit, the attorney fills out credit papers and FHA specifications and handles the complete transaction, including the final closing at the bank. Not until this is done is the house ordered.

With this new type of operation Ayre was confronted with the question of how much of the work he should undertake himself with his own crews, and how much he should sub-contract. Under the usual circumstances he would have done everything but the excavating, plumbing, heating and wiring. By so doing, he could save about \$300 per house. But he would have to hire and handle large crews and be responsible for considerable book-keeping. He decided to forego the \$300 profit per house, and sub-contract everything, thus leaving himself able to put full attention on

(Please turn to page 38)



At the right of the double sink are fruit and metal vegetable bins which can be removed for cleaning. Parings drop down a chute



Under the sink is room for cleaning supplies, jar storage, waste-paper basket, dish drainer and rack, space for empty tin cans

How to Make a Kitchen More Salable

A recent Journal survey shows that 87.6% of families who are new home prospects study the placement of equipment in inspecting a kitchen, and that 46.8% know and demand scientific kitchen planning. Here are some suggestions which are calculated to please either category



This is the kind of storage space that women want; cleaning equipment, canned goods, and easily available ironing board



Sliding door moves food into the dining room. Large shelves are convenient over the stove; miniature grain bins pull out and tip

Formula for a Closing Statement

Ever have a customer back away with the jitters when faced with a closing statement that looked like he was signing away everything but his mother-in-law? Smart and Golee, Evanston, has developed a printed form which takes the confusion out of what normally is an intimidating statement of "who owes whom what"

The form is titled "SMART & GOLEE" and "THE HUSBAND & WIFE REAL ESTATE COMPANY". It includes fields for "DATE", "SELLER", "BUYER", "LOCATION", and "PURCHASE PRICE \$". Below these are sections for "Particulars as to", "Purchase Price", "Earnest Money Paid", "For Mortgage", "Interest to", "Purchase Money Mortgage", "Contract Balance", "Unearned Purchase Price", "New Interest", "General Taxes", "Rent", "Fuel", "Title Charges Collected", "Taxes Due", "Revenue Stamp", "Recording Fee", "Recording Fee, Debit", "Debit", "Sales Commission", "TOTAL", "Balance Due from Purchaser", "Proceeds of Sale to Seller", and "TOTAL". The form is divided into two main columns: "DEBIT" and "CREDIT". At the bottom, there is a section for "Make needed checks as follows" and a signature line for the buyer and seller.

PUT yourself in the place of the average buyer or seller who is confronted with the first experience of closing a sale. You're nervous, tense, and jittery. Imagine your reaction, then, to a typewritten sheet

placed before you which looks more like a jig-saw puzzle than a closing statement. You can't make heads or tails out of the columns, terms and figures. Your confusion increases to the point where you wonder if you

want to go through with the deal.

Most of the closing forms in use attempt to show on one statement the balances, charges, and credits to both purchaser and seller. An interpreter is needed to decipher the data. One form in popular use requires the concentrated effort of an expert to trace the balances from one figure to another and from one section to another; to trace the actual figures involving the purchaser, it is necessary to go down both columns at once.

Why subject your client to all that, and why make your own task more difficult?

Smart & Golee, Evanston, Illinois, formerly used a typewritten form which listed credits to buyers and sellers as "by" and charges to both as "to" items. This company found that such a form not only induced the described jitters because of lack of clarity, but also because the client didn't have the confidence in a typewritten sheet which a standard printed one would have given him.

The one-page, 8½x14-inch form which Smart & Golee developed consists of two columns headed "Debit" and "Credit," so that figures involving either participant can be easily followed and computed.

Ample space is left between items to allow for easy reading. With one item to a space there is no jumbling. The appearance of the page gives the client confidence because he can understand the material and because he feels the company is protecting his interests. Blank lines permit the addition of details and directions.

Nowhere is there a note that prorated insurance is an expense to the buyer, nor is there actual mention that prorated taxes are an expense or cost to the seller.

Terms have been simplified further, clarifying data; "Proceeds new first mortgage" becomes simply "First mortgage."

The buyer and seller can easily read the total computations for debit and credit at the bottom of the columns. Space is given for the directions of making out certified checks, along with date and signatures of both parties.



Stress the "Human Side"

- Be sure every employee is an "ad" for your office
- Don't be careless about display windows
- Never write an ad unless you've seen the property

TO advertise means to make people "turn to," and it begins long before you hurriedly jot down three or five lines for the evening deadline in your newspaper. In a broad sense, everything pertaining to your office either makes people "turn to" or "turn from" your business.

Your office is an ad: it's there all the time before the public. What does the average person think of your service when he walks by your office or steps into it? I don't know why real estate people all over the world are so careless about their windows; I've seen everything in a real estate window from dead flies to mice. No prospect seeing such a window is going to think he could get good service there. Your office is an ad all the time, and so are the windows and the way you decorate them.

The people in your office are ads for you. They are either good ads that people "turn to" or they are bad ads. I went into a large office one time at the noon hour. There were two girls in there; they were eating. They continued to eat until finally I asked if there was anyone who could give me some information. One of them asked me if I didn't know it was the lunch hour. I left the office thinking that that real estate broker should have been ashamed that he had two "ads" in his office who weren't working because it was the noon hour.

There is no finer side of advertising in the real estate business than the human side of it: the human side includes you. Unless you walk down the street looking like you made a deal yesterday, you're not going to impress a prospect that you are on the top side of the ladder. There's no saying truer than the one, "Nothing breeds success like success." I know a broker who always wears a carnation, and

even though he may not have made a deal in a week, any man who wears a carnation every day is going to look successful.

We had a little place in Indiana where my wife and I went every summer. In the town five miles from us there were three places to buy meat. My wife always went to the "Economy Market." I would have rather gone to the independent store down the street because the name of the former isn't good advertising; experts will tell you that no one wants anything that is "cheap." Well, each time I'd suggest the independent store, but we always went to the Economy Market.

The next year I accompanied my wife into town after she had already made several trips. This time she said, "Let's go to the independent store." I asked her again — to make certain I'd heard her correctly. I had. Finally, I managed to ask tactfully if we hadn't always gone to the other store. Her reply was, "The butcher who worked at the Economy Market last year is now at the independent store." Now, think about that because it applies very well to your business. I had not been buying meat all the time I thought I was. **I was buying the butcher.**

People buy from you, not because you're the best, but because they have learned to like you and respect you. So, we can never get away from the public relations element as part of our advertising program. Each of us should get up with the idea that every day is my day, and that I intend to make the most of it. It may sound like a Pollyanna attitude, but just try it. And try to give some of that enthusiasm to your office people so that your receptionist won't say, as one said to me once when I said good morning, "What's good about it?"

in Advertising

By LESTER "Cy" FRAILEY*
Columbus, Ohio

- Make the headline an attention-getter
- Write ads through a prospect's eyes
- Watch out for "cheap" words in ads

* Condensed from an address by the author at the Denver Realtor's Workshop.

Advertising includes all of these things, but most immediately it means to us — just ads. And here is the place we fail. The root of our business is advertising, yet most of us consider it a bore. Furthermore, most realtors are pinch-pennies; they don't want to spend the time and money on their ads which are necessary to get the best results.

There is a little formula which I use when I write ads; first, they should be written to attract attention; second, there has to be something to arouse interest; and third, there should be something in that ad to impel action — to get the reader to call the office.

What do you think about this for a sample ad — "Do you want a cheap bungalow?" I don't care how humble the prospect, there is probably a spark of pride in him which makes him suspicious of cheap things, because he has had to buy them all his life. Suppose that ad had read, "You will be amazed at the low price of this delightfully fine 5-room bungalow?" You've said "cheap" in another way, and you've put a little "oomph" into it because we all love to be amazed. "Everything modern, up-to-date." Well, that will arouse interest. Now for the action to compel them to call. "Come right after breakfast, or surely some lucky family will take this home before you get there."

That will always work — getting the other fellow to think that someone else will get there first.

The headline is probably the most important part of advertising. There's one I know that has never failed to produce results — because of a broker's analysis of the way a woman likes to look at a house. This one said, "Kelly Won't Be Home Tonight." Reading that, who wouldn't wonder who Kelly was, and if he wasn't going to be at home, who would be? The ad

went on to say that the salesman had asked Kelly to take his family to a movie so that women could come over and give the house the close inspection they wanted to — closets, cupboard space — but which they would never do if the Kelly's were at home. The salesman almost had to call the police to control traffic that night, and the house was sold the next morning.

You should never write an ad unless you have seen the property, and unless all the salesmen who are going to have anything to do with it have seen it. Looking at the house may give you an idea for a "point of difference" — something to set the house apart which will give it added appeal to prospects. There may be a workshop in the basement, a beautiful garden, or a fish pond for winter skating. Women are especially interested in these points of distinction.

Don't be content to advertise "Nine homes opened today." Say "Nine little aristocrats." Don't advertise just a "house" — say it's a Williamsburg house, or Cape Cod. Headlines like that will bring prospects because we're all attracted by items which are set apart.

I'm afraid that many of us become cynical and sour and forget what everyone lives for — happiness. We fail to see a house we're showing through the prospect's eyes. You don't know what he's been used to; he may think the house is wonderful, but one discouraging word from you can make him think otherwise. Realize that there may be the one house this couple can ever buy; if so, they've saved a long time to buy it. It's not false or sentimental, then, to advertise that "Here is an invitation to happiness," or that it is the "Home of your dreams." Always be guided by what people want — happiness, and the things a home will supply.



Give Yourself a Selling Analysis

CURRENT thinking among salesmen in the real estate and buildings field indicates a strong tendency to get away from the old days of "let the buyer beware" selling, and introduce high standards of professional competence and ethics.

Proficiency in the art of selling can be acquired only through study and experience. More important than any vague list of character traits such as honesty, firmness, courage, etc., selling abilities can be broken down into specific behavior patterns. It is these patterns which must be examined by the professional who wishes to improve his performance.

The first step in any self-improvement program is self-analysis. You have some chance of improving only after recognizing and defining your own weak points, and strong points, and when you can see some definite standard by which to periodically measure your own progress.

The modern professional salesman is in search of facts . . . just as his buyers are in search of facts. You want the facts about yourself . . . NOW. The "Performance Check-Up Chart" reproduced on the opposite pages was designed for one purpose: to give the professional salesman the facts about himself which will enable him to get more business.

It is not very often that we really give ourselves a thorough going-over in a voluntary searching for our own strong points and weaknesses. As Abraham Lincoln once said: "If we know where we are, and from whence we have come, we may be able to determine whither we are tending." Professional real estate men, daily facing the firing line, today are faced with new and expanded responsibilities, and need to stop occasionally and take careful stock . . . with self analysis!

Why? Because, if you can find your weak points, can find the reasons underlying your occasional failure to guide an interview to a successful close, you can then set about doing something to correct them. If you know what your strong points are, you can do something to develop them still further and can capitalize on them to overcome your weaknesses.

By EUGENE MOTTERSHEAD

How long has it been since you made a careful check of your selling abilities and disabilities? Here is a check-up chart designed as an aid to constructive thinking about yourself as a real estate salesman. Make every effort to answer the questions honestly . . . they may uncover some points which are hindering your sales volume

Directions for Completing Questionnaire

1) Read the short paragraph or statement following each heading. Fix firmly in your mind just what the general topic is that is being considered, so that the questions are clear to you.

2) Read the question carefully, considering just how you act under the circumstances described, and then place a check mark in the blank which most nearly indicates your habitual conduct or action. Complete all of the questions in each section.

3) Total your score for the section, adding together the points you gave yourself for each question, and mark it in the space provided.

4) When you have completed the questionnaire, total your score and enter the figure in the space provided at the bottom.

5) If your score is 50 or less, you really need to do something fast to get yourself into selling more effectively.

If your score is from 50 to 60, you will probably hold your job without much trouble, and without much increase in your earnings unless you hit the ball.

If your score is from 60 to 70, you are probably making fairly good money in your line, with an eye to the future.

If your score is from 70 to 80, you are definitely management caliber, should either be in business for yourself or acting as salesmanager somewhere.

Performance Check-Up Chart

I. Establishing Personal Sales Quotas:

- Do you use daily and weekly personal sales quotas . . . quotas set up in terms of specific results?
- Do you make use of a large wall chart or other graphic record of your past sales and future objectives?
- Do you set yourself a definite quota of "cold turkey" or new-business calls for each day, week, month?

Score

| | | |
|-----|-----------|--------|
| (0) | (1) | (3) |
| No | Sometimes | Always |
| (0) | (1) | (3) |
| No | Sometimes | Always |
| (0) | (2) | (4) |
| No | Usually | Always |

2. Managing Your Selling Time:

- Do you spend a few minutes each evening deciding where and when your time will be spent the next day?
- Have you ever stopped to analyze how you spend your time by listing for each day for a week what you did, where, when?
- Have you ever stopped to figure out in dollars and cents what it costs you to make a single sales presentation?

Score

| | | |
|-----|---------------|---------------|
| (0) | (1) | (3) |
| No | Sometimes | Frequently |
| (0) | (2) | (4) |
| No | Once or twice | Frequently |
| (0) | (1) | (3) |
| No | Once | Several times |

Score

3. Managing Your Business Territory:

- A. Do you maintain an up-to-the-minute tickler file so that you have all essential information on buyers and inquiries at your fingertips?
 B. Do you organize your running around so that you eliminate back-tracking and unnecessary travel time?
 C. Have you developed complete and accurate property lists, showing condition of property, characteristics, neighborhood factors, etc.?

| | | | |
|----|--------------|------------|-----|
| | (0) | (1) | (3) |
| No | More or less | Yes! | |
| No | (0) | (1) | (3) |
| No | More or less | Yes! | |
| No | (0) | (2) | (4) |
| No | Fairly well | Completely | |

Score

4. The Ability To Think as You Talk . . . Thinking on Your Feet

- A. When you are meeting a new prospect for the first time, do you remain confident, say what you want to say easily and freely?
 B. Do you have your ideas organized in your mind for making a presentation? Are you so well prepared that you can't get "rattled"?
 C. Are you able to converse easily with buyers, answering questions, handling objections, and at the same time fitting their ideas into your presentation as you lead them toward the "close"?

| | | | |
|----|-----------|--------|-----|
| | (0) | (1) | (3) |
| No | Sometimes | Always | |
| No | (0) | (2) | (3) |
| No | Usually | Always | |
| No | (0) | (2) | (4) |
| No | Usually | Always | |

Score

5. Ability To Use Words That Sell:

- A. The right TONE of voice is often as important as the words. Do you shun monotony and dullness by effective inflections and modulation of your voice?
 B. The telephone company says: "The voice with a smile wins!" Is your voice a FRIENDLY voice at all times?
 C. WORDPOWER is one of the greatest skills of the professional salesman. Are you doing something each day to build up a more effective sales vocabulary?

| | | | |
|----|---------------------------|-------------------------------------|-----|
| | (0) | (2) | (3) |
| No | Usually | Always | |
| No | (0) | (1) | (3) |
| No | Usually | Always | |
| No | (0) | (2) | (4) |
| No | Spend 5 minutes a day (?) | Spend at least 10 minutes every day | |

Score

6. Ability as a Teacher:

- A. Do you feel that you know your subject, your product and service, well enough to teach a new salesman?
 B. When you are making a sales presentation, do you question the buyer carefully from time to time to be sure he understands?
 C. When you are "educating" a buyer, do you start by finding out what his real problem is and then help him find a solution?

| | | | |
|----|---------|--------|-----|
| | (0) | (1) | (3) |
| No | Maybe | Yes! | |
| No | (0) | (2) | (3) |
| No | Usually | Always | |
| No | (0) | (2) | (4) |
| No | Usually | Always | |

Score

7. Ability To Sell to Groups or Meetings:

- A. If you are faced with the problem of making a sale to a group of strange people, which would you do:
 B. Before you enter a meeting at which you intend to present your proposal, how do you find yourself feeling?
 C. When the group sets up a cross-fire of questions and arguments between the members, can you CONTROL the talk so that it stays on the track and reaches the decision you want?

| | | | |
|------------------------------------|---|--|-----|
| | (0) | (2) | (4) |
| Make a fast "pitch" and let it go? | Let them talk freely and have for the best? | Guide the discussion to the decision you want? | |
| "Cocky" | On edge | Confident and alert | |
| No | (0) | (1) | (3) |
| No | Sometimes | Always | |

Score

8. Making the Sales Presentation:

- A. Except under emergency conditions, are you thoroughly prepared with "presale" information about each buyer?
 B. Are you more interested in helping the buyer reach the right decision for him, in helping him solve a problem, than you are in making a quick sale? (Be honest on this one!)
 C. Do you invariably make a good impression, well groomed, clean, neat, with a smile on your face whether you feel that way or not?
 D. Do you have your sales presentation so thoroughly in mind that buyer questions and objections never bother you?

| | | | |
|----|---------|--------|-----|
| | (0) | (1) | (2) |
| No | Usually | Always | |
| No | (0) | (2) | (4) |
| No | Usually | Always | |
| No | (0) | (1) | (2) |
| No | Usually | Always | |
| No | (0) | (1) | (2) |
| No | Usually | Always | |

Score

9. Closing the Sale:

- A. How often can you "pre-arrange" the CLOSE by thoroughly qualifying the buyer at the start of your presentation?
 B. When you come to the actual close, do you do it by winning the argument, by an appeal to emotion, or by using the "secondary question technique" specifying the details to the solution to the buyer's needs?
 C. As you approach the close, do you avoid questions which permit a YES or NO answer, and ask those requiring an explanation or statement of fact?

| | | | |
|----------|-----------|---------------------|-----|
| | (0) | (2) | (3) |
| Seldom | Usually | Always | |
| Argument | Emotion | Secondary questions | |
| No | (0) | (1) | (3) |
| No | Sometimes | Always | |
| No | (0) | (2) | (4) |
| No | Sometimes | Always | |

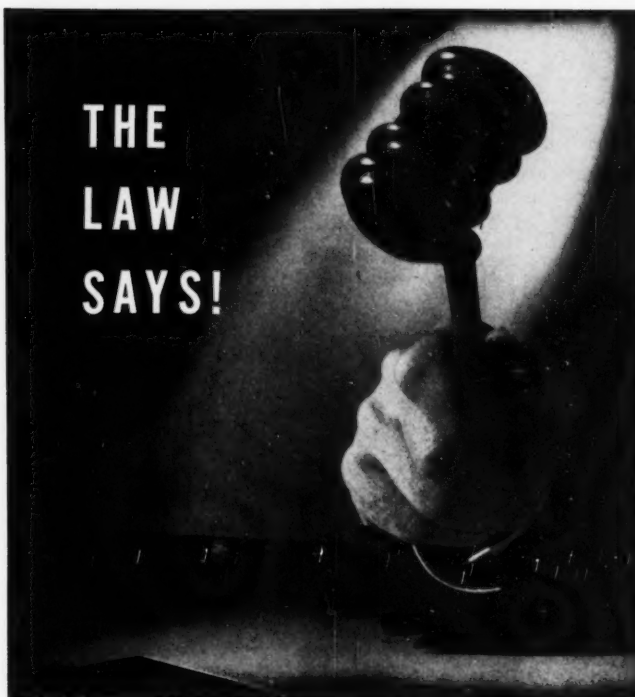
Score

10. Handling the Buyer Face to Face:

- A. Do you ever feel at a loss to decide just how to size-up a buyer in order to make the most effective appeal to him?
 B. Do you enjoy winning an argument just as you might enjoy winning a fight?
 C. Can you handle the price resistance problem by telling a full QUALITY story to every buyer?
 D. Do you find it easy to make clear to a buyer that his objection to buying is really his main reason for buying?

| | | | |
|------------|-----------------|--------|-----|
| | (0) | (1) | (2) |
| Yes, often | Once in a while | Never | |
| Yes | (0) | (1) | (2) |
| Yes | Sometimes | Never | |
| No | (0) | (1) | (3) |
| No | Sometimes | Always | |
| No | (0) | (1) | (3) |
| No | Sometimes | Always | |

Final Score



Did you know that altering or inserting interlineations in contracts already drawn up can be "an open door to controversy and litigation?" And were you aware that when notices are served or drafted, the day of service is not counted, since it is not considered a full day? Our legal expert gives the law's stand on these questions

By GEORGE F. ANDERSON

AVOID making any alterations or interlineations in a real estate sales contract before it is signed. It happens often that the contract is prepared, and when it is read to the parties they suggest certain changes, and a word or two are struck out and some other word or words substituted, or something was forgotten and is penned in between the lines, or something is stricken out, and when the contract is signed it becomes an open door to controversy and litigation. If the alteration is of a suspicious character the burden of proof is upon the party trying to enforce the contract to show that it was made before the contract was signed. If the alteration is not of a suspicious character, it is presumed to have been made before the contract was signed, and the burden of proof is upon the party claiming it was not.

Of course, if the jury believes that the alteration was made after the contract was signed, the contract is discharged, and the jury may believe this whether it is actually so or not.

Lawson, on Contracts, page 592, says: "Alterations are presumed to have been made before execution and delivery, and the burden is on the party endeavoring to prove that the paper is visitated by such alteration to show the contrary. But where the alteration is in different handwriting from the rest of the instrument, or in a different ink, or is in the interest of the party setting it up, or is suspicious on its face, or its execution is denied under oath, the party producing the instrument is bound to satisfactorily explain the alteration."

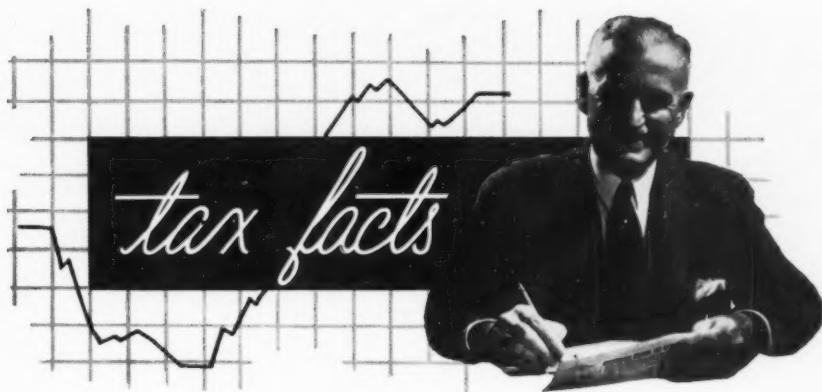
The thing to do is to make all the necessary alterations and then

to type the contract over again before it is signed, and then you will have a nice neat lawyerlike job that soothes the emotions and gives you a feeling of well being.

IN DRAFTING or serving a notice, whether it is a five days' notice, a ten days' notice, a thirty days' notice, a sixty days' notice, or any other kind of a notice, I have always believed in allowing an extra day or so, and not in seeing how thin I could slice it. If, however, you are confronted with a situation where you cannot allow an extra day, then be careful in computing the days to exclude the day of service and exclude the last day. If a five days' notice is served on September 15, exclude the 15th and count as follows: (1) 16th, (2) 17th, (3) 18th, (4) 19th, (5) 20th. So the notice would be to terminate possession on the 20th. Let's see how it would work out if we included the day of service and excluded the last day. 1) 15th, (2) 16th, (3) 17th, (4) 18th, (5) 19th. This notice would be defective as not giving five full days, the day of service not being a full day.

In the case of Higgins vs. Halligan, 46 Ill. 173, the court said: "The rule generally received and acted on in such cases is, to count the day of the execution of the lease out, and the date of its termination in. The interest passing September tenth, that day is to be counted out, and the day assigned for its termination counted in, by which rule the demise ended on the tenth of September of each year. This is the rule adopted in Ewing vs. Bailey, 4 Scam. 420; and in Waterman vs. Jones, 28 Ill. 54. Adopting the same rule in regard to the notice, and counting the tenth day of July, the day of its date, out, and also the tenth of September, out, which the rule does not require, there remains full sixty days, which the statute prescribes. The tenth of September would end the term, if the term commenced on the eleventh, and the notice was served sixty days before the end of the year, which is sufficient under the act of 1861, which provides, in all cases of tenancy from year to year, sixty days' notice shall be sufficient to terminate the tenancy at the end of the year after such notice is given."

It is to be observed that the formula not only applies to the computation of days notice, but also in computing the termination of a lease.



By BERT V. TORNBORGH, CPA

IMPROVED LOTS were subdivided from tract bought by manufacturer for industrial site, later abandoned as such. Some lots were sold. Court ruled that ordinary income was realized on sale of lots that were part of the original site proper but that capital gain resulted from the sale of residential and industrial lots in adjacent tract that had not really been needed for the contemplated plant site.

RENTAL PROPERTY was owned by a realtor. Some parcels were sold. Court ruled he was taxable at capital gains rates rather than on ordinary income, the rental property presumably not being part of "inventory" of property held for sale.

BUSINESS REAL ESTATE was sold and taxpayer claimed a resulting net operating loss carry-back. Tax Court denied, finding he was not engaged in the business of buying and selling real estate, thus could not have an operating loss on this sale.

PROPER BASIS for depreciation was issue in an interesting Chicago tax case where theatre was bought in 1941 for some \$44,500, the property at that time having outstanding unpaid property tax liens of some \$120,000. The buyer recorded the "full cost" on his books, including the tax lien figure, and took depreciation on that full cost.

About five years later he bought up the liens at public sale for some \$50,000. Commissioner came in with deficiency assessments for the intervening years saying the depreciation had been computed on

too high a cost. **Question:** Could a 1946 tax lien settlement cause a retroactive cost adjustment for prior years? Must not depreciation for each tax year be reckoned on the facts as they are known to exist at the time the return is prepared?

Tax Court, in effect, said "yes" to this latter question, ruled against the Commissioner in his endeavors to impose retroactive base adjustments.

INCONSISTENT AND OBLITERATED business records were kept by taxpayer convicted for tax evasion by jury. On appeal the conviction was upheld. Moral — keep your books in good order and reflecting the truthful facts.

INSTALLMENT BASIS realtor's profit on forfeited contracts could be computed by the Commissioner, said the Tax Court, by subtracting from the fair market of each repossessed lot such part of the balance of the unpaid installments as did not represent anticipated profits.

INSURANCE SALESMAN bought property and question arose as to whether it was personal or business realty. It appearing that the acquisition was largely for the purpose of entertaining customers the Court allowed him to deduct part of the loss on the sale, in proportion to its business use. (Loss on sale of residence would ordinarily not be deductible.)

SUBSIDIARY WENT through section 77b reorganization, at which time parent company promised to pay off creditors on any claims.

After making such payments parent company claimed deduction for them as "ordinary and necessary business expense" and Tax Court approved.

MORTGAGEE WAS ALLOWED to deduct the excess of mortgage indebtedness over the sale price on foreclosure, but was not permitted to claim bad debt for a loan which was not shown to be uncollectible.

DETROIT REAL ESTATE TAXES became liability of the owner on April 1st, that being the date for completion of the assessment rolls, found the Court. That being so taxpayer to receive record title to Detroit property on June 1st could not claim deduction for the taxes.

CONDEMNATION PAYMENTS were made to taxpayer for land transferred to the state to avoid condemnation. The payments included compensation for severance damage to the remaining property but no separate allocation was made. Under the circumstances the Court ruled gain must be computed on the entire amount received. . . .

TAXES WERE PAID in error by taxpayer who in making out his annual federal excise tax for unemployment insurance forgot to deduct the 90 per cent credit allowed for payments made to state unemployment funds. Court held, in effect, that this was too bad . . . he could only deduct, for federal income tax purposes, his actual tax liability, not the full amount paid in error.

Your Stake

(Continued from page 14)

Employment data on the cities of one of our major manufacturing states, for instance, indicates that in most of these cities today there are pools of unemployed, including skilled workers with little prospect of obtaining local employment unless new industries are developed. To hold their skilled labor at home these cities must attract new enterprises offering new jobs.

One of the best ways to attract new industry is to offer good locations. We feel that inadequate and antiquated zoning regulations are one of the critical problems of 1949.

Ever since the inception of zoning regulations, beginning with Colonial days, industry has been zoned "against." Because we feel that a positive approach to industrial requirements for zoning is essential, the SIR is making a special study of the subject this year.

The gist of our recommendations is: 1) States and cities should be urged to set up master plans for zoning, with industry being given full and proper consideration in those plans. 2) Land which would attain its highest and best use-form in industrial purposes should be zoned industrial and protected against encroachment for other uses. 3) Industrial land should be zoned for various types of use — light, medium, and heavy manufacturing.

Every realtor and builder has a stake in modernized industrial zoning ordinances, just as he has in industrial expansion. Good vacant land, zoned "industrial" and with adequate utilities, is scarce today. Artificial barriers to logical industrial development of land heretofore restricted against industry may mean that industry will go elsewhere.

Round Table

(Continued from page 16)

problems insofar as industrial real estate is concerned.

"In my opinion, it is still too early to determine what effect the possibility of an atomic attack is having on industrial thinking regarding plant location. The NSRB, the agency responsible for educating industry on military security problems, is only a year old and its education program is still at a preliminary stage.

"But the facts are that for many reasons — new markets, technological improvements, and others — industry is decentralizing. During the war and the postwar period, the South, Southwest, and West coast have grown tremendously on an industrial basis.

"And as Milburn L. Forth, industrial economist of the Territorial Information Department, Chicago, has pointed out, the established industrial areas have also grown and decentralized. Huge investments in plants are being made in the outskirts of the large central cities of the United States."

Mr. Hanson: "Industry of moderate size here in the East does not seem to be giving much thought to the atomic bomb. They are thinking of decentralization merely as it concerns itself with the efficiency of materials movement and regional labor negotiations. Of course, there are certain large industries with blanket contracts, but we find that most industries we deal with have A.F.L. contracts and we negotiate within specific areas."

Mr. Miller: "Industry is placing very little importance on the atomic bomb. Other things being equal, any industry would take the safer location, but labor supply, transportation, power, markets, water, etc., are still the deciding factors."

Mr. Martin: "As far as industry is concerned, there is no great importance as yet placed on decentralization due to atomic bomb fear. This is only in the talking stage by government planning agencies."

Rent Decontrol Survey

(Continued from page 17)

tenants who voluntarily accepted the previous 15% increase.

"A second category consists of those units controlled at a ridiculously low rental. Most of the offices had one or two of these. A typical example: An 8-room brick house rented to a Negro woman who operated it as a rooming house. She was receiving rents from her tenants in excess of \$150 per month; the rent was raised from \$20 per month to \$40 per month, or 100%.

"A third category includes increases over 20%, represented by only three or four units, and is made up of those units occupied by undesirable tenants. Here the rent has been raised for the sole purpose of getting rid of the tenant."

Typical of the spurt given to real estate sales in some decontrolled

cities is this statement from A. L. Spooner, realtor and chairman of the Property and Home Owners Association of Spokane: "Immediately after decontrol the builders of economy and low-priced houses reported an upsurge in business. Within one week's time one firm reported it had sold 61 houses which had been completed or were in the construction stage. Three weeks later it had sold approximately 100 houses, 45 of which are in the \$8,000-\$9,000 bracket, the others at \$6,400. We roughly estimate that to date approximately 225 houses have been sold, 80% of which to former tenants."

Results of the Journal's survey are substantiated by a survey of six cities made by the Wall Street Journal. Interesting item in the Wall Street canvass: The week after rents were freed in Dallas, the CIO ran a large ad in the Dallas News asking that exorbitant rents be reported. They got only 60 so-called complaints — in a city of 500,000. Item: The Central Labor Council in Boise was so sure rents would soar they fought tooth and nail until they set out to get signers against it. Out of 4,000 supposed supporters of rent control they could get only 1,000 signers.

Ayre Prefab

(Continued from page 29)

increasing weekly production. Let each sub-contractor watch his own man hours!

Ayre says he is primarily no longer building "on speculation." He can have a house ready for occupancy within two to three weeks after the completion of a sale. His money isn't tied up because financing takes effect immediately. This also permits him to extend his building season, with the only limiting factor being that of getting basements in before the ground freezes.

Ayre is now the largest home builder in Albany. Next year he plans to be even bigger.

March 1, 1913 Fair Market Value had to be determined for certain shares of stock which a taxpayer had held since before that date. In weighing the evidence to arrive at a value the court gave particular consideration to the value of the assets of the corporation and its dividend-paying history prior to the 1913 date.

PRODUCT PROGRESS

Report on Building Material and Equipment

New Wall Heater

Meeting the public's demand for smaller economical homes with the premium on wall and floor space, is the small wall heater, known as 45-WD-Series 14, manufactured by the Holly Manufacturing Company of Pasadena. The circulating-type model fits in a standard four-inch stud wall and requires an opening of only 14 x 50½ inches.

Finished in various colored enamel panels, the wall heater won't burn on contact, nor will it damage furniture.

Altrico Trim

Modern aluminum alloy door frames, baseboards, and window trims are now ready for easy installation, announces Altrico Sales Company, sales agency for Alloy Trim, Inc., Detroit. Cutting and fitting is eliminated by incorporating all hardware cutouts in the manufacture of the material. Door frames are nailed to the rough door opening studs; the baseboard is applied to the wall or partition studding at the proper height from the rough floor to allow for finish floor. The window trim is then applied and the job is ready for plaster.

With no stool or apron trim, the entire surface from floor to ceiling is flush.

USG's Twin Tile

A new addition to the Weatherboard insulating line of United States Gypsum Company is Twin Tile which is applied by staple. Twice the wall or ceiling area is covered with one piece of Twin Tile.

Two additional features of this product are the new Speed-Clinch joints which are easily fitted by means of the extra wide flange, and the water-repellent plastic-coated Hi-Lite finish.

Acoustical Glass

Another use has been found for double glazed windows, which act not only as heat insulators, but also are found to be sound repellents.

The Libbey-Owens-Ford Glass Company of Toledo, announced recently that Thermopane is being used as an insulator because it is easily installed and because the air space between the layers of glass remains free of dust and water vapor. When the dehydrated air space between quarter-inch panes of a Thermopane unit is one-half-inch thick, a reduction in the loudness of typical noises of as much as 44% is noted.

Paint Canstretcher

Samson Metals Company of Miami, announces a new device, the Samson Canstretcher, which adds an extra one-third capacity to a gallon paint can by making it possible to mix the paint and thinner or added color in one container. A metal extender is pushed down into the groove of the can where it is tightly locked, the thinner is added, then the paint can either be mixed with a paddle or, with the affixed cover, the container can be put in a paint-shaking machine.

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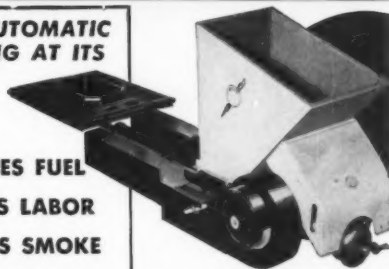
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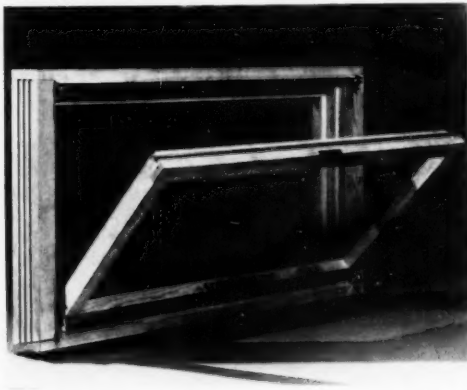
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Basement Window Units

Here's a new prefabricated basement window made of wood which consists of frame, glazed sash, hardware, weatherstripping, screen, and storm sash. The manufacturer, Andersen Corporation of Bayport, Minn., has designed the unit for sash reversibility — it can be swung at top or bottom, providing either indirect or direct ventilation.



Modular sizing has been followed for installation in standard 8 x 8 x 16-inch concrete block walls. Height is two blocks high and two, two-and-a-half, and three blocks wide.

Fenestra Windows

One more proof that the day of high, narrow windows has left us is the Fenestra intermediate window manufactured by Detroit Steel Products Company, Detroit.

The windows provide weather protection even when open because their open-out vents form canopies while the open-in vents deflect drafts upward, and shed water to the outside.

Where to Find Information . . .

on Windows . . .

A 28-page catalog, "Fenestra Stock Products," describes steel windows and doors carried by retail dealers; gives installation details, typical applications, types and sizes. For information and copies write to Detroit Steel Products Company, 3191 Griffin Street, Detroit.

on Heating . . .

A procedure for radiant panel heating design is offered with analyses of installations, graphs, and basic data by Revere Copper and Brass Incorporated, 230 Park Avenue, New York.

A series of five informative booklets on industrial heating describes heating pipelines, surfaces, process air, liquids, and melting soft metals with electric heat. With photos, cross-sectional drawings, and articles. General Electric, Apparatus News Bureau, Schenectady.

on Weatherstripping . . .

A 15-page catalog, fully illustrated describing combination metal weatherstrip and sash balance. Contains information on general features and specific construction detail of Dura-Seal units of Zegers Incorporated, 8090 South Chicago Avenue, Chicago.

on Lighting . . .

Sylvania Electric Products Inc., has just published a 74-page brochure "Fluorescent Fixtures"; 60 photos of industrial, commercial, and troffer fluorescent fixtures, starters, lampholders, and starter sockets are shown. Three main sections to catalog which can be obtained separately — industrial, commercial-residential, or troffer. Address: 500 5th Avenue, New York.

on Structural Glass . . .

Adding value to apartment buildings with Insulux Glass Block is the theme of the new folder of American Structural Products Company, Toledo. Gives styles of product with suggestions for installation.

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Tax Avoidance

(Continued from page 23)

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If a property is owned by a corporation of only one or two stockholders, those stockholders can dissolve the corporation before they list the property for sale. Then, they own that property at the cost of the shares of stock in the corporation. In the sale, they are subject only to the personal capital gains tax, rather than the corporation and the personal capital gains tax.

In New Orleans, a past president of the National Institute of Real Estate Brokers invested \$10,000 in a plot of land. He put a \$75,000 building on it (total, \$85,000). Then, he obtained a 10-year lease, which justified an asking price of \$110,000 for the property. Because the original cost of the ground and the cost of the building were common knowledge, he encountered sales resistance trying to get \$25,000 above cost in such a short time. Through his knowledge of the tax laws, he was able to sell this property by recommending to the buyer that the \$25,000 worth of water, you may term it, be set up as a leasehold value which depreciates one-tenth each year against the man's normal income from rental of the property. At the end of 10 years, he would have \$85,000 cost, and in the meantime, \$25,000 worth of direct deductions on his income tax.



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"How to Finance Real Estate" gives you dollars-and-cents help on important aspects of your business such as:

- how to convert a loss into an income through financing
- how to make sound economic analyses
- financing real estate operations from the point of view of the use of the land
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Today, more than ever, a successful real estate deal often depends on matching the needs of the borrower with the requirements of the lender. Here's your chance to take the guesswork out of such arrangements — and boost your income through this practical knowledge of real estate financing.

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Among Ourselves

AS we go to press, the eyes of the building industry are on the action of the Senate on the omnibus housing bill. Late last month the House passed the bill without the feature most feared by the industry — direct government lending to co-operatives and veterans, a concept in housing which might ultimately destroy our present financing agencies. A "club" had to be used to get this feature stricken — the civil rights issue was raised in an amendment which carried, and was voted down only after the proponents of direct government lending cried "Uncle." The House also approved most of the liberalizing features of the bill, including the increase in section 203 to permit 95% loans of \$7,000 plus 70% of the excess up to \$11,000 on owner-occupant 25-year mortgages and a maximum mortgage of \$6,650 on a 95% 30-year mortgage with an additional \$950 for each bedroom in excess of two but less than four (85% firm commitment for the builder). The maximum of \$6,650 may be increased by FHA to \$7,600 in high cost areas. The House also lifted the 50% restriction on Fannie May purchase for GI loans up to \$10,000, and extended Section 608 to June 30, 1950 with no reduction in the 90% insurance features. What the Senate will do is uncertain — early last month its committee reported the omnibus bill for vote with almost everything unfavorable in it, including the wholesale giveaway of 467,000 units of Lanham act war housing to local housing authorities as public housing.

YOU can continue to tell your prospective buyers that new homes have not gone up in price as much as many other commodities. Construction costs since 1939 increased 120% by the end of last year, whereas farm products went up 188%, and wholesale commodity prices 114%. The Construction In-

dustry Information Committee points out that during this period wages and salaries for urban families jumped (at end of 1947) a total of 124% and for rural non-farm families 176%.

CONCERTED movements of any kind make news, and thus it is that National Home Week again rings the bell. Newspapers the nation over are publicizing open houses, speeches, housing tours, and other events scheduled for September 11 to 18. Communities which don't cash in this national spotlighting are missing a bet.

REFLECTING the upsurge in home building starts in early summer, home loans finished the first six months of the year only 8% under the same period of last year. Biggest drop was reported by commercial banks, 18% down, with savings and loan associations next with 10% decline. Savings and loans continue to top the field, handling 30% of the volume. Others are: banks and trust companies 21%, individuals 19%, miscellaneous 15%, insurance companies 9%, and mutual savings banks 6%.

TIGHE WOODS, housing expert, is having his troubles, but no tears are being shed from the real estate corner. His budget has been cut approximately 40% below what he planned. He outlines three steps as now imperative: 1) Cut present staff from 5,462 almost in two; 2) Decontrol "in every area where it appears that the need for rental housing has been reasonably met" (which was what he was supposed to do anyway—editor) and 3) Close area rent offices except in larger metropolitan areas, if sufficient personnel savings and budget economies are not realized by the first two methods.

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